

News Analysis

Fall of Andreotti Is Symptom Of Overlapping Crises in Italy

By Bernard D. Nossiter

ROME, Jan. 22 (WP)—Italy is gripped by four overlapping crises whose outcomes will affect the peace and security of nations all along the European coast of the Mediterranean.

The political crisis, the fall last week of Premier Giulio Andreotti and his minority Christian Democratic government, has grabbed the headlines. But the fall of Mr. Andreotti, already engaged in the tortuous process of trying to form a new regime, is a symptom and not a cause of the malaise.

Italians no longer are performing economic miracles. They are wrestling with the worst inflation and highest unemployment of any developed Western country. It was the lengthening jobless queues that brought Communist-led workers into the streets in recent weeks and forced the Communist politicians to withdraw their support from Mr. Andreotti.

Administrative Problems

Beyond this is an endemic social problem, a governing machinery, dominated by Christian Democrats, that displays vitality only in lavishing state funds on its clients.

In private, a key minister fresh

from an institution with a reputation for efficiency, fumes:

"I must deal daily with a certain other ministry. I can't reach anyone there until after 11. I spend all my time trying to get a decision, pushing papers."

A Communist union leader talks derisively of welfare cheating. "There are villages in the south," he asserts, "where for every one aged person on a legitimate retirement pension, there are 100 drawing fantastic disability pensions. We have people who are said to be disabled with blindness driving buses."

5,000 Terrorists

Finally, there are an estimated 5,000 young men and women, mostly far left but some far right, carrying out terrorist shootings, bombings and kidnappings. Thanks to an inhibited and ineffective police and judicial structure, the perpetration of seven political crimes out of eight are never identified, let alone caught.

These linked crises and the attempts to resolve them have parallels in Portugal, Greece and Spain. Whether and how Italy acts will affect them, too.

Despite the gloomy perspective, Italy is a nation of ingenious, flexible people whose capacity to survive and absorb has been displayed for two millennia. Near the Colosseum, there are modern apartments in a Renaissance palace built over an ancient Roman theater, all blending into a splendid whole. For all its contradictions, Italy is a land where opposites are synthesized harmoniously.

So it is startling for an outsider to be told by Giorgio Napolitano, the Communist party official responsible for unions, "We are for zero wage increases in real terms to increase employment and investment." No banker could ask more.

Praise for Communists

It is just as unnerving to hear Aurelio Piccoli, an adviser to the Christian Democrats, declare: "We are lucky to have this kind of Communist party," and to praise the relatively efficient Communist administration in some towns.

The Communists, the second largest party here, had engaged in a remarkable collaboration with Mr. Andreotti that even produced some results in his 17 months in office. Communist support enabled Mr. Andreotti to impose enough economic restraint to convert a frightening balance-of-payments deficit into a surplus, strengthen the lira and allow six points from a 22-percent inflation rate.

Even more unusual are the close ties between conservative Christian Democrats and the Communists in fighting terror. Ugo Pecchioli, the Communist "shadow minister" for these matters, quotes exactly the same estimates of the size and composition of terrorist groups as the government's interior minister, Francesco Cossiga.

Mr. Pecchioli and Mr. Cossiga are sometimes linked in the graffiti the terrorists spray on walls.

Partly in reaction to the totalitarianism of Mussolini, the state here has demonstrated a dangerous unwillingness to arm its police with the necessary weapons and laws. Only now are the police getting rubber bullets and gas to control riots, armored cars and rifles with laser sights for night firing.

Laws Proposed

The Christian Democrats have prepared several laws that will make the prevention and detection of crime easier. But whether or not they are passed, a minister observes, "depends on the measure of the political role accorded to the Communists; after all, they must protect themselves from their left."

This is the nub of the political crisis. The Communists withdrew their support from Mr. Andreotti largely because they were being pushed by their ranks and by smaller, rival groups.

The Communists are insisting on Cabinet posts to win back their support, something no Christian Democrat will concede and something the Communists do not really expect now. Whether they should be given, however, is a question that will be decided in the immediate future.

A group of younger Christian Democrats, about 100 of the 263 deputies, are calling for an end to collaboration with the Communists. This group of hard-working, ambitious men, mostly in their 30s and 40s, is typified by Massimo de Carolis.

Two Solutions

"In the long run there are only two different solutions," Mr. de Carolis says. "Either agreement with the Communist party or a clash. The first case is the way to arrive at the hegemony of the Communist party. We can't avoid the clash if we don't want to become a Communist country."

Views like these evidently have greatly influenced U.S. Ambassador Richard Gardner. So Mr. Gardner went back to Washington for consultation recently and the State Department issued a warning against Communist participation in Italy's government.

Many conservative Italians, notably men highly regarded in Washington, believe that the warning was a mistake. An internationally known figure with impeccable conservative credentials said sadly, "Gardner has compromised his mission."



Bordeaux Mayor Jacques Chaban-Delemas shakes the hand of Paris Mayor Jacques Chirac.

French Gaullists Close Ranks as Election Nears

PARIS, Jan. 22 (Reuters)—Leaders of France's Gaullist party today closed ranks as opinion polls predicted a leftist victory in the March general elections.

Former Prime Minister Jacques Chaban-Delemas and the man who helped to defeat him in the 1974 presidential elections, the present Gaullist chief, Paris Mayor Jacques Chirac, today shook hands publicly at a meeting of 1,500 party officials.

The public reconciliation follows a recent crisis among the

Gaullists and the other parties of the ruling center-right coalition.

An opinion poll published here today, in the news magazine "L'Express," shows that the three leftist parties would take more than half the seats in the National Assembly in the elections. "L'Express" said the left would win 250 seats, compared with 232 for the ruling coalition.

Mr. Chaban-Delemas said afterward he made his gesture "to smooth things over."

The former prime minister,

who has maintained a frosty attitude to the Chirac-led Rally for the Republic since its formation over a year ago, today walked up to the platform as Mr. Chirac took his place and clasped his hand.

As interior minister in April, 1974, when Gaullist President Georges Pompidou died, Mr. Chirac helped divert Gaullist votes away from Mr. Chaban-Delemas toward the other main government candidate for president, Valéry Giscard d'Estaing, a Republican.

During Labor Election Campaign

Communists, Socialists Woo Spain Workers

By Stanley Meisler

ALCALA DE HENARES, Spain, Jan. 22—Looking a bit ruffled in a windbreaker, Nicolas Redondo, 50, invokes history and Socialism as he calls on workers to vote for his General Union of Workers in Spain's labor elections.

History and Socialism are what his union can count on most to counter the record of its chief rival, the Communist-dominated Workers' Commissions, which made up the most active and aggressive illegal union in Spain during the long, dictatorial Franco regime.

The labor elections, which began on Jan. 16 and will end on Feb. 6, are complex and confusing. The government of Premier Adolfo Suarez, whose party is the conservative Union of the Democratic Center, is trying to play them down. But they are probably significant for the future of Spain, because they may well decide whether the Socialists or the Communists will control the work force.

Mr. Redondo, who is secretary-general of the Socialist Union, has forecast that the elections "will produce a profound clarification of the labor situation." He has also predicted a Socialist victory. But most neutral analysts feel the elections may be too close to call. Each of the two main unions claims 2 million members.

Most of the Spanish workers are not voting for a single union to represent them in collective bargaining. Instead, they are choosing representatives for a labor committee that will handle grievances and bargain with the employer. It is assumed that, in the long run, most workers will tend to join the trade union that dominates the labor committee of their plant.

The strategy and flavor of the election campaign were made clear by the assembly here in Alcala de Henares, a medieval university town 20 miles east of Madrid, which is now surrounded by modern factories.

Several hundred General Union of Workers members crowded into the aged, tiny Cervantes Theater to hear Mr. Redondo, a former metalworker from the northern Basque area, who was introduced simply as "Comrade Nico of the national committee." A man with a soft, full face and a relaxed air, he uses no tricks of oratory in speaking for his union, commonly known by its Spanish initials, UGT.

The UGT, the oldest trade union in Spain, was founded by leaders of the Socialist Workers party in 1888 and was the strongest union before the Civil War. Its secretary-general, Francisco Largo Caballero, was a premier of the republic during the war—a history with sentimental appeal, and Mr. Redondo reminded his listeners of it.

"We have 100 years of history," he said, rounding his figures, "100 years of experience, years of bargaining."

The UGT is still linked to the Socialist Workers party. Mr. Redondo himself is on the party's executive committee and was elected as a deputy to the Cortes (parliament) on the party's nomination.

Alluding to the fact that the

Socialist Workers were the second largest party in the parliament, Mr. Redondo said, "We in the Cortes can pressure the government to better the conditions of the working class. There is only one Socialist union, and it is called UGT."

Mr. Redondo has impressive leftist credentials. As Franco's army advanced into the Basque provinces in 1937, he and many other Basque area children were evacuated to France. He was not reunited with his mother until 1940. His father, a Socialist, was imprisoned by Franco from 1937 to 1942. Mr. Redondo himself was jailed numerous times by the Franco regime for illegal union activities.

Despite Mr. Redondo's credentials, the Socialist union puts the organization ahead of personality. And it is obvious why. If the elections were no more than a popularity contest of individuals, the UGT could not match the Communist-dominated Workers' Commissions.

Heroes and Martyrs

The Workers' Commissions produced heroes and martyrs during the Franco years. The secretary-general, Marcelino Camacho, who was 60 yesterday, was probably the best-known labor leader in Spain during the dictatorship. He spent more time in Franco's prisons than did Mr. Redondo, and his release after the death of Gen. Franco was hailed by leftists throughout the country. The Workers' Commissions, in their election campaign, use posters that feature photographs of the gray-haired Mr. Camacho.

The Workers' Commissions came out of informal committees that led legal strikes in the late 1950s and early 1960s. The Communist party, which is now surrounded by the dictatorship, the UGT and other unions boycotted these elections because they looked on the syndicates as phony government-run unions. This was true, but the Workers' Commissions, by taking part in the elections, managed to infiltrate the system and fight for worker rights.

Second, the Communist party, in a mistaken belief that the Franco regime was about to collapse, called the Workers' Commissions out in numerous strikes and demonstrations in the 1960s. This led to the killing of at least 10 workers by the police, the beating of many strikers and demonstrators, and the frequent jailing of leaders like Mr. Camacho. But it also created heroes and martyrs.

Voting Compromise

As a result, the Workers' Commissions, in the election campaign, can present leaders who fought for the workers during the Franco era and who suffered for their stand. The commissions stress this personal leadership so much that they refuse to acknowledge that they are as closely linked to the Communist party as the UGT is to the Socialist Workers party.

To take advantage of the popu-

larity of their leaders, the Workers' Commissions wanted voters to choose individual candidates rather than unions. To take advantage of its history and its ties to Socialism, the UGT wanted the workers to vote only for unions. A compromise was reached. Workers in all enterprises that have more than 250 employees will vote for unions. All others will vote for individuals.

Spain has 8 million salaried workers. Of these, only 6 million are eligible to vote in the elections. The others work in enterprises with five or fewer employees and are expected to deal with their employers directly.

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Israelis Quit Military Talks In Unanimous Cabinet Action

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emphatic mood in both Israel and Egypt that the two nations might be moving toward peace after 30 years of enmity and four wars.

But in recent weeks, as the two sides began to grapple with the subtle separation of them, the public diplomacy has produced statements and counterstatements that have been increasingly tinged with rancor and animosity.

Efforts, so far, to have both sides subside into a more traditional and quiet method of negotiation have not been very productive since each side asserts that such a switch in tactics is dependent on the other "taking up on critical public comments."

Today, Mr. Begin said he would address the Knesset (parliament) tomorrow in order to respond to Mr. Sadat's speech to the Egyptian parliament yesterday.

Today's Cabinet statement said: "We do hope that in the coming days the Egyptian government will act to prevent repetition of statements injurious to the dignity of the Jewish people and the Jewish state thus creating a suitable atmosphere for the conduct of negotiations in which Israel continues to be interested."

As the fragility of the contacts between Israel and Egypt have become more apparent each day, the role of the United States has grown in efforts to prevent a rupture.

Yesterday Mr. Sadat reiterated his demand that Israel withdraw from the lands it captured in 1967 and allow the Palestinian Arabs the right of self-determination, including a separate Palestinian state if that is what they choose.

These terms are totally unacceptable to Israel, which has said they should be negotiated in talks and not be prior conditions to meaningful peace negotiations.

The results of a public opinion poll published here today show that a majority of Israelis are opposed to withdrawal to the borders that predated the June, 1967, war. The poll was taken before Mr. Sadat called home the

Crash Kills 22 in Iran

TEHRAN, Jan. 22 (Reuters)—A bus and a truck loaded with gas cylinders collided Friday, killing 22 persons and injuring 15, police said yesterday.

After Parley of 5 Western Nations

Ethiopia-Somalia Talks Urged

WASHINGTON, Jan. 22 (Reuters)—U.S. and European diplomats, after closed talks here on the worsening conflict between Ethiopia and Somalia, have called for a negotiated settlement of the dispute.

The daylong talks involving representatives of the United States, Britain, France, West Germany and Italy were convened yesterday amid mounting fears that the undeclared war in the Horn of Africa over the disputed Ogaden region of Ethiopia could escalate into an East-West confrontation.

"The representatives of the five governments were unanimous in their belief that no lasting solution to the problems of the region can be found by force of arms," a joint statement said.

"The conviction of the representatives is that negotiation is the only means by which the fighting can be brought to an end and a durable settlement achieved," it added.

Somalia has appealed to the five countries represented at the meeting to provide it with weapons to offset the effects of a Soviet shift of arms and advisers to Ethiopia.

Somalia has said it has captured much of the Ogaden Desert region of southern Ethiopia, which it has long claimed as its own territory, but fears Ethiopia will use Soviet and Cuban assistance to mount a retaliatory invasion.

Diplomatic sources said yesterday's meeting was primarily to focus on two areas, the question of arms supplies to the area and the possibility of convening peace talks.

The United States has consistently rejected Somali requests to provide arms to counter the Ethiopian aid to Ethiopia. But the sources said the heavy infusion of Soviet arms, estimated at up to \$1 billion over the last two months, could put this policy in question.

The Western powers attending yesterday's meeting also "reaffirmed their full support for the efforts of the Organization of African Unity and its mediation committee to promote a peaceful settlement."

Bonn Knaves Is Expelled

NAIROBI, Jan. 22 (UPI)—Ethiopia expelled West Germany's ambassador today in what diplomatic sources said was a retaliation for West German economic aid to Somalia.

The rally in Addis Ababa said

W. German Jailed

As Refugee Smuggler

BERLIN, Jan. 22 (Reuters)—A third West German has been jailed within a week on charges of trying to smuggle East Germans to the West, the Neues Deutschland daily reported last week.

Uwe Funke was sentenced by a Magdeburg court yesterday to five-and-a-half years in jail for "anti-state human trafficking."

Hard-Line Statements

A cloud appeared when Mr. Denktash made some hard-line statements before and during his current visit to Ankara to confer with Mr. Ecevit. Turkish diplomats do not expect Mr. Ecevit to follow his lead, but neither do they expect the Turkish leader to be particularly generous in his initial proposals.

In fact, Mr. Denktash asked Mr. Waldheim to tell Greek

the envoy, Johann Christian Lankes, was told to leave the country within 24 hours.

Yesterday, the West German government announced that it had given Somalia an \$11.8-million credit to use on projects of its own choosing and there was immediate speculation that the

money would be used to arms for the war with Ethiopia. The aid package was seen as the fulfillment of a promise Somalia made after the success of last October's hostage rescue. A hijacked Lufthansa airliner at Mogadishu airport.

News Analysis

Cynicism Tinges Greek Hop For Settlement of Cyprus Issue

By Nicholas Gage

NICOSIA, Jan. 22 (NYT)—While the climate for solving the Cyprus problem seems to be improving—Secretary of State Vance's visits to Ankara and Athens are among the signs—Greeks view recent developments with a mixture of cynicism spawned by past disappointments, suspicion that Washington and Ankara may be conspiring, and hope that at last the time for a settlement has come.

The cynicism and suspicion will be allayed and the hope encouraged if Premier Bulent Ecevit of Turkey produces proposals that are judged substantial enough to allow Greek and Turkish Cypriots to resume the talks they began three years ago.

At an earlier session, Greek Cypriots accepted Turkey's demand for a two-zone federation and submitted a map showing Turkish-Cypriots in control of 20 per cent of the island. Turkish Cypriots now hold 36 per cent. Instead of responding to this, the Turks then submitted a plan for a constitution with a weak central government, which the Greek side rejected.

Waldheim Visits

When United Nations Secretary-General Kurt Waldheim visited Ankara earlier this month, Mr. Ecevit promised to submit new proposals on the territorial and constitutional issues. Mr. Waldheim called this "a positive development" because it was the first time the Turkish side had agreed to offer a proposal on territory, including a map outlining the two zones.

He was encouraged in Cyprus when he met with together Spyros Kyprianou, the President of Cyprus, and Rauf Denktash, the leader of Turkish-Cypriots, for the first time in more than a year. They agreed to have Mr. Waldheim judge whether Mr. Ecevit's proposals were "substantive enough to resume talks."

Mr. Waldheim then flew to Athens, where Premier Constantine Karamanlis welcomed his initiatives but added a qualification that Mr. Ecevit's proposals should be not only concrete enough to allow for new negotiations but "reasonable" enough to make a final settlement.

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Representation of Palestine Remains Key Talks Obstacle

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to encourage them in the Palestinian paragraph, have said that they could not accept Israeli conditions on Palestinian participation.

The United States, neutral, nevertheless has broad consensus, which would bar the participation of the relevant Security Council resolutions that ground the United States' opposition to participation by Palestine Liberation Organization.

U.S. officials said that, seeking to insure that the Palestinians are blocked from their own state, also object to the wording in the U.S. draft for a solution of the "in all its aspects," and to recognize "the legitimate rights" of the Palestinians.

No Trouble

The Egyptians had no with either of those points said.

Aside from the differences the Palestinians, officials that the Egyptians were angered over Israel's being permitted to keep its own state, also object to the wording in the U.S. draft for a solution of the "in all its aspects," and to recognize "the legitimate rights" of the Palestinians.

3 U.S. Officers Face Probe in Tug Bombing

SAN DIEGO, Jan. 22 (UPI)—Three U.S. Navy officers, including two pilots, were ordered yesterday to appear before a military inquiry called to settle responsibility for the accidental bombing of a Navy tugboat with 79 men aboard.

No one was injured in the incident last week, in which a Navy jet dropped three bombs and a second jet began an attack dive, apparently mistaking the USS Greer for a target practice vessel.

Syria Sees Sadat's Fall

DAMASCUS, Jan. 22 (UPI)—Syria's state-controlled newspapers said today that the failure of President Sadat's initiative meant the failure of his regime. Not even the United States could prevent his fall from power, they said.

At the same time, the Palestine Liberation Organization joined criticism of the Egyptian Pres-

ident and expressed alarm at what it regarded as his withdrawal of recognition for the PLO and of backing for an independent Palestinian state.

There was no immediate indication that moderates such as Jordan and Morocco had turned against Mr. Sadat. Morocco was one of the first Arab nations to support the Egyptian-Israeli dialogue and Jordan came out in favor of the Egyptian leader after he recalled his delegation.

Reuters reported that Amman scented Israel of maneuvering and deception during the Jerusalem talks.

The statement said that responsibility for continuing the peace initiative now rests with Israel, which was as far chosen violence, and aggressive expansion as an alternative to an accepted peace and coexistence. Reuters said in its dispatch.

Mr. Sadat complained Friday that he had been deceived by the Israelis. He first did not mention that he wanted to keep the state under their control.

According to U.S. officials, Mr. Sadat said that when he first mentioned Egyptian settlements, he thought the Israelis would not object because he could not give up the settlements. U.S. officials also did not see the significance of settlements issue, because Mr. Begin was in Washington last month he did not detail the maintenance of settlements and the need for Israeli military forces there.

Handwritten Arabic text at the bottom of the page.

Eastern U.S. Digging Out After Storm

NEW YORK, Jan. 23 (AP).—The U.S. Northeast yesterday dug out from the worst blizzard in nine years—a storm that was not supposed to happen, according to the weathermen.

At least 25 persons died, many from heart attacks as a result of shoveling snow.

The snow, driven by winds of up to 50 miles an hour, was dumped on the Northeast Friday, only hours after forecasters had said that only a few inches would fall and be washed away by rain.

Massachusetts recorded 21 inches in the blizzard; Rhode Island and Connecticut got up to 17; New York and New Jersey had 12 to 14 inches; Pennsylvania, Maryland and West Virginia had 8 to 13 inches; Ohio, Illinois, Kentucky and Tennessee got up to 8 inches of snow.

In New York City weathermen admitted that they had been wrong.

"We did a rotten job this time," said Michael Payne, a supervisor at the National Weather Service office.

National Guard units were called out in Ohio, Connecticut, Massachusetts, Maryland and New York to clear snow from the highways and rescue stranded vehicles.

The weight of the snow oiled in roofs of more than a dozen structures, including an auditorium at C. W. Post College in New York.

In Maryland, a 75,000-square-foot tent, erected for a boat show, collapsed under the weight of the snow.

In Franklin, Mass., 80 families evacuated their apartments after



Snow is removed from the front of the Capitol in Washington, where five inches fell during the weekend.

part of the building's roof fell in.

6 Die in France

PARIS, Jan. 22 (UPI).—Six persons were killed in France yesterday as a result of cold weather and icy roads, police said.

Two children aged 7 and 10 were killed when the car they were in slid off an icy road and crashed into a pillar in Normandy. At Agen in southern

France two men were killed when their car slid on a layer of hail on the road and crashed into a truck.

At Troyes, in the east, two persons were asphyxiated when they locked themselves in a car inside a garage and kept the motor running because of the cold.

Also in southern France, 150 persons were trapped for 17 hours in a train that was caught in a snowdrift near Villefort.

U.S. Attorney in Philadelphia Quits in Showdown On Probe

By George Lardner Jr.

WASHINGTON, Jan. 22 (WP).—U.S. Attorney David Marston of Philadelphia, who has been pressing investigations of official corruption involving Democratic officeholders, has been ousted in a showdown with Attorney General Griffin Bell.

At a news conference, Mr. Marston said that Mr. Bell told him Friday that "the decision to fire me is final."

The Attorney General, in a statement, said that Mr. Marston had "refused my request" to remain at his post "when and if a suitable replacement could be found."

Mr. Marston said that this would have crippled his investigations, including one into the construction of a \$65-million addition to Philadelphia's Hahnemann Hospital. That inquiry has given rise to allegations that two Democratic congressmen from Pennsylvania, Daniel Flood and Joshua Ellberg, may have profited from the project.

Carter Involvement

The controversy escalated earlier this month after President Carter acknowledged that he had agreed to expedite Mr. Marston's removal in a telephone conversation with Mr. Ellberg on Nov. 4.

"Nothing was said in there to change that," Mr. Marston said of his meeting with Mr. Bell. "A congressman called the President of the United States and said, 'Get that prosecutor out of there.' He didn't have a candidate for the job. He just said anybody but Marston."

As for Mr. Bell's request that he stay on temporarily, Mr. Marston said he did not want to be "a lame duck U.S. attorney standing there with the official corruption cases in limbo [and] with defendants holding their breath, waiting for someone to plug the plug on the U.S. attorney."

Mr. Marston is a Republican appointee and former aide to Sen. Richard Schweiker, R-Penn. He said that he felt his performance justified his retention in office for a normal four-year term.

He said he didn't disagree with Mr. Bell. He simply said we have a system and he has to accept the system. I don't agree with that. You know, they had a system in Philadelphia, too, before I got there. And I didn't accept that system. I threw it out and eliminated politics" from it.

In his election campaign, Mr. Carter had pledged to name judges and U.S. attorneys on the basis of merit alone, but Mr. Bell subsequently agreed to let the traditional system of congressional patronage prevail for prosecutorial appointments.

Aluding to that campaign,

Mondale Says U.S. Backs New Loans To Aid Mexico

MEXICO CITY, Jan. 22 (AP).—Vice-President Mondale has coupled a promise of "no massive deportations" of Mexicans working illegally in the United States with an offer of U.S. support for job-producing loans.

"We understand the reasons for the flow of undocumented workers to the United States," he said on Friday. "We are willing to help Mexico as it desires in obtaining support for its efforts to develop its economy."

Mr. Mondale arrived Friday for talks with President José López Portillo on such issues as illegal aliens and the price of Mexican natural gas.

"On behalf of President Carter, I have informed President López Portillo that the United States is ready and eager to do all it can, including support for expanded efforts by the World Bank and the Inter-American Development Bank, to increase rural development efforts in Mexico," Mr. Mondale said.

He said that both banks had assured the United States that they were prepared to expand loans to Mexico.

Sen. Schweiker charged last week. "The presidential candidate who asked 'Why not the best?' today, as President, has arrogantly answered, 'Give them the worst.'"

Mr. Marston said that he plans to leave his job tomorrow. Assistant Attorney General Benjamin Civiletti of the Criminal Division is due to go to Philadelphia tomorrow to assure federal prosecutors there that the Justice Department wants all investigations pursued with no loss of momentum. An acting U.S. attorney, possibly Mr. Marston's top assistant, Kirk Karaszewicz, will be named by a panel of federal judges until the administration settles on a more permanent successor.

Mr. Bell vowed in his state-

ment that "there will be no let-up in the present approach or attitude toward public corruption."

Three Justice Department officials, Thomas Henderson, head of the Public Integrity Section; Michael Shaheen, head of the Office of Professional Responsibility and Russell Baker Jr., a top aide in the Criminal Division, were sent to Philadelphia last week "to assess the Marston problem" and all had briefed Mr. Bell.

Two of them, Mr. Bell said, "see no harm to ongoing investigations or prosecutions from the removal of Mr. Marston. One believes there would be general harm in that the momentum against public corruption could be interrupted, without regard to any particular investigation being impeded."

Congressional Probe Urged

WASHINGTON, Jan. 22 (AP).—Republican party chairman Bill Brock called yesterday for a congressional investigation into the firing of Mr. Marston.

In a telegram to the congressional leadership of both parties Mr. Brock said, "It is clear that the administration has neither the courage nor the moral commitment to tell the truth to the American people."

He called for hearings in both houses into "the ruthless firing of one of America's outstanding, dedicated and effective law enforcement officers."

Kept Mental Notes, Decided to Tell All

California Newswoman Is Rape Victim in Story She Covered

SAN FRANCISCO, Jan. 22 (UPI).—Carolyn Craven was a straight, sober television news-

woman, not the sort to style herself an "activist reporter." She kept personal and professional issues in "separate spheres," she said.

So it was a hard irony when the 33-year-old black journalist became both the victim and the reporter in a Berkeley rape story last week, a story she chose to make public.

The striking, almond-eyed daughter of Chicago's presiding juvenile court judge, William White, Miss Craven was an early civil-rights activist. Following a year in New York writing for ABC Network News in 1970, she became a regular on "Newswoman," a distinguished local news show on San Francisco's public television station, KQED.

8 Reported Victims

One story she covered frequently concerned a rapist in the Berkeley area known as "Stinky" because of his acrid smell, which victims had compared to mechanician's grease. Since 1973, Stinky has assaulted 80 reported victims, and perhaps as many as 80 unreported victims, according to the San Francisco police.

In previous attacks the man had always sought out women who lived alone or with their children in ground-floor dwellings.

Early on Saturday, Jan. 14, while Miss Craven and her 6-year-old son, Gabriel, were asleep, the man whose modus operandi she knew so well apparently silenced the neighbor's dog with poison.

He tried first one locked window, and then a second, before successfully prying open a third window in her son's bedroom. Noiselessly he climbed in, and extinguished a nightlight in the hall.

"The next thing I knew, I saw the image of a man flying at me, leaping at me," she recounted in an interview.

There was a gloved hand over her eyes, a knife, and the acrid smell.

Bound and Blindfolded

The man ordered her to roll over and slashed her hand, a wound that required five stitches. Then he bound her eyes. In her mind, there was no doubt about his identity.

"I knew within moments that it was Stinky, because of the odor, and because of the blindfold," she said. "I had interviewed a Stinky victim three years ago."

"He demanded money, and for a split second I thought I was going to get away with just robbery."

By this time, Miss Craven's son was in the hall crying because the nightlight was out. "Tell him, go back to bed or I'll beat your brains out," the rapist ordered her.

She hesitated.

"He put a knife to my throat and said: 'Tell him what I said.'"

"Get back to bed or I'll beat your brains out," she repeated obediently. The rapist then turned the nightlight back on, and the boy returned to bed.

In Complete Terror

"There was not a moment when I was not in complete terror," she said. The man threatened to kill her son, should he return. Then she made a choice.

"If I survive," she recalled thinking, "I want to remember as many details as possible."

So the captive became a reporter.

"I was very passive. I did exactly as I was told," Miss Craven remembered. "I didn't say anything. I didn't give him anything."

Even under her blindfold, her eyes were tightly shut.

"Do you know," she said, "that at one point, my blindfold slipped, and I told him to tie it tighter. I wasn't about to get killed for being a witness."

Without seeing her attacker clearly, Miss Craven managed to take copious mental notes: her

attacker was about 6 feet tall, "very strong, with huge biceps," but with a less well-developed and hairier chest. He had "tight, nappy hair," she told police.

Groping with her bare toes, she discerned that her attacker wore heavy work boots.

"The knife at her throat was 'small and short with a razor sharp blade and other blades rattling in the handle,' a carpenter's knife, she discerned."

Praising her description, Berkeley police officer Michael Davis said, "She's the best victim to date at recalling details by senses other than sight."

About thinking as a reporter while being physically a victim,

Miss Craven said, "It was not instinctive. I had to talk myself into it. It was also a way of talking myself out of panic."

During the 2 1/2 hour attack, "I said to myself, Okay, Carolyn, you know he never stays past dawn. But I thought I'd go mad with the sustained terror of it."

When the rapist left, he ordered her not to move for 15 minutes. Then she went in to find her son, who was sound asleep.

"Gabriel, somebody's broken in and attacked me," she recalled saying, "so put your arms around my neck. We have to get out of here."

"The first thing he asked was, 'Mommy, is the TV still here?'" she related. "I had to laugh through my tears. A 6-year-old has his priorities."

"He understands very little about the rape," she continued, turning serious. "He knows mommy was hurt, and he knows we're safe now."

Life Utterly Changed

Safe, but psychologically under siege, Miss Craven and her son are moving from their modest studio home because Miss Craven feels her home has been "intolerably isolated."

She plans to find a roommate, for safety's sake, and she has a bodyguard. There is the unexpected sting of crank calls. Her life has been utterly changed.

"Last night, in bed, I kept seeing him jump toward me. I couldn't stop shuddering," she said.

"As many times as I've interviewed rape victims," she said, "I had no sense of what it does to your life. Beyond the horror of the rape itself, there is the disruption. And it doesn't stop."

Miss Craven, who is awaiting an appointment as the public information officer for the California Arts Council, is now working with police on the Stinky case and is counseling other rape victims and to report their rape at once.

"Talking about it doesn't exorcise it," she said, "but it makes it real, instead of a nightmare, and that helps."

"I'm no kid, and no ingenué," she continued, "but I cried a lot, and there are a lot of tears left."

—MARILYN CHASE.

U.S. Oil Firms Win a Ruling On Reimbursing of Consumers

By J.P. Smith

WASHINGTON, Jan. 22 (WP).—A U.S. District Court has barred the Department of Energy from forcing six major oil companies to return as much as \$1.3 billion in alleged overcharges to consumers.

The ruling, handed down Friday in Cleveland, and the judgment expected soon in a similar regulatory court battle pending before a Delaware court, are milestones in what the department's South Lang describes as "easily the most important piece of enforcement litigation we have now against the oil companies."

Mr. Lang, the head of the department's regulatory litigation efforts, said the department has yet to decide on an appeal of Judge John Manos's decision, although he would not rule out an appeal.

Central Issue

Both court cases deal with the contested interpretation of Federal Antitrust Act provisions regulating price controls in effect during 1975 and 1976. The FEA was absorbed into the Department of Energy when President Carter's energy reorganization legislation was enacted last year.

The central issue in both cases

is the interpretation of FEA pricing regulations and the treatment of so-called "nonproduct costs" that refiners would be allowed to pass on to consumers while oil price controls were in effect. Non-product costs include operating and marketing expenses, such as labor costs. The FEA and now the department maintained in court that the major oil companies should not be allowed to pass on these nonproduct costs.

Judge Manos held in favor of six major oil companies, Standard Oil Co. of Ohio, Exxon, Sun, Mobil, Gulf, and Texaco, who filed suit against the FEA a year ago, protesting an FEA ruling to return some of the nonproduct costs which had been added on to consumers' oil product prices.

The oil companies argued in District Court that, while the regulations were in effect, FEA auditors gave the major oil companies ambiguous and erroneous interpretations of the pricing regulations which the FEA later rescinded.

Judge Manos's decision said that the FEA regulations were "venerably deep and self-contradictory" in ruling against the government in favor of the oil companies.

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Democrats Cut Primary Season

WASHINGTON, Jan. 22 (AP).—The Democratic party's rules committee voted yesterday to shorten the presidential primary season and abolish crossover voting.

The new primary time limit, adopted by a 41-12 vote with White House support, would create a 13-week period during which all Democratic presidential primaries, caucuses and conventions must be held.

The time limit, which would run from the second Tuesday in March to the second Tuesday in June, compares with the traditional six-month primary season, beginning in January and ending in mid-June.

Crossover voting is the practice of voting in one party's primary while being a member of another party. The proposed changes must still be ratified by the democratic national committee.

Carter Sends Tax Package to Congress

(Continued from Page 1)

posals to limit deductions for business meals to 50 per cent of cost, to reduce bad-debt write-offs for financial institutions, to levy deductions for the additional cost of first-class air fare and a narrow "tax shelter" in real estate, deferred annuities and other areas.

Foreign Profits

As expected, Mr. Carter asked Congress to stop letting corporations escape taxes on profits earned and reinvested abroad. This "loophole," he said, conflicts with the need for more business investment at home. He also proposed ending special tax status for exports despite the country's huge trade deficit, on the ground that it was an unjust tax preference that gave little demonstrable lift to exports.

Evoking a theme of his 1976 campaign, the President summed up his case for reform this way: "Low and middle-income workers, struggling to make ends meet, are discouraged by tax laws that permit a few individuals to live extravagantly at the expense of government tax revenues. The privileged few are being subsidized by the rest of the taxpaying public when they routinely deduct the cost of country club dues, hunting lodges, elegant meals, theater and sports tickets and night club hours."

Mr. Carter warned Congress that failure to enact his revenue-raising revisions could require smaller reductions for individuals and corporations.

As Mr. Carter has previously indicated, the net proposed tax cut is \$25 billion, the difference between \$34 billion of rate reductions and \$9 billion of additional revenues.

However, there have been some informal indications from the treasury that a somewhat higher overall tax cut might be acceptable, particularly if by next summer a pronounced slowdown in economic growth is occurring.

The effort to coax from Congress the more bitterly contested revenue-raising measures will be regarded as a fresh test of ad-

ministration ability to get what it wants from the Democratic majorities in the House and Senate. Mr. Carter's difficulties with his energy plan have prompted criticism that he was ineffective with Congress.

The tax bill will also pose a special challenge for Secretary of the Treasury Michael Blumenthal, who has yet to be tested as an advocate on Capitol Hill.

The \$25-billion net tax cut included \$17 billion for individuals, \$8 billion for corporations and \$2 billion from repeal of the 4-per-cent excise on telephone service and a reduction of the employer-paid payroll tax for unemployment insurance.

The rate cuts would take effect Oct. 1. A proposed broadening of the present 10-per-cent investment tax credit would be retroactive to Jan. 1, so that no capital spending project planned for this year would be delayed for tax reasons. Revenue-raising measures would take effect next Jan. 1.

The rationale advanced by Mr. Carter for cutting taxes when the federal budget is already deeply in deficit was a need to spur consumption and investment to keep the economy's recovery, now three years old, rolling at a moderate clip.

Warning to Congress

"Without the tax cuts," the message to Congress warned, "economic growth would slow markedly towards the end of 1978."

The Carter "tax reform" list was considerably shorter and narrower than the one drafted by the Treasury in September. Proposals were dropped that would end preferential treatment of capital gains; relieve double taxation of dividends (once as corporate income and a second time as personal income to stockholders); withhold taxes on interest payments, and soften the so-called "marriage penalty" that collects more in taxes from working couples than they would pay if they were unmarried.

Widespread resistance within Congress convinced the adminis-

tration that the economic tonic of tax reduction should not be jeopardized by a long, bruising fight over wholesale revision of the 1,100-page income tax code.

Heavy opposition is still expected from those industries that presumably would lose business—restaurants, theaters, hotels, airlines—and those that would lose cherished tax advantages, such as banks, savings institutions and credit unions. Until now, credit unions have been wholly tax exempt. One unexpected proposal was to lower total-income levels at which unemployment insurance payments are wholly exempt.

Theme of Simplification

In addition to fairness, a second theme of the message was tax simplification. "In order for our system to remain successful, it must be comprehensible to the average taxpayer," Mr. Carter declared.

"Judged by this standard, the current tax structure is seriously defective. Millions of honest and intelligent Americans find themselves confused and frustrated by its complexity."

To simplify tax returns and record-keeping, Mr. Carter proposed ending itemized deductions for sales and gasoline taxes and the personal-property levies imposed by some states. Property taxes and interest payments would still be deductible. Mr. Blumenthal is expected to argue before Congress that the proposed rate reductions more than offset elimination of the deductions.

As expected, the President asked Congress to phase out the tax deferral created in 1971 for export corporations set up for just this purpose, and to end the indefinite deferral of tax on corporate profits earned and reinvested abroad. Neither proposal is thought to have a strong chance of enactment.

But in these and in other areas, Mr. Carter had committed himself as a candidate to pursue "reform," and in the view of some political observers he had little choice but to make these recommendations.

Role as Coordinator Stressed by White House

Reorganization Plan to Give CIA Director a Stronger Role

By Harold J. Logan

WASHINGTON, Jan. 22 (WP).—The White House has announced a reorganization plan for the U.S. intelligence services designed to strengthen the coordinative role of the CIA director and guarantee greater protection for U.S. residents against violation of their rights by the various intelligence agencies.

It also sought to compromise the differences within the intelligence community that have surfaced in recent months between CIA director Stansfield Turner and the other agencies with major intelligence functions.

A new executive order, to be issued this week, affirms Adm. Turner's budgetary authority over the intelligence community which had been decreed by President Ford in a February, 1976, intelligence reorganization but not, according to aides of President Carter, fully implemented.

The new plan does not grant Adm. Turner all the powers he sought, such as cabinet rank and sole authority to speak publicly on intelligence matters. It does, however, define his authority to formulate the intelligence mission not only of the CIA but also for all other governmental intelligence agencies.

This confirms Adm. Turner's operational overseeing of intelligence agencies, such as the Na-

tional Security Agency and Foreign Intelligence Services, which dwarf the CIA in budget and personnel.

Each of the component agencies, according to administration officials, will continue to regulate their operations, analyses and interpretations of raw data.

U.S. Eyes Future Of Panama Canal

WASHINGTON, Jan. 22 (Reuters).—The Panama Canal could pay for itself for the next five to 10 years but its financial future beyond that period is uncertain, according to a study sponsored by the State Department.

Ely Brandes, an economist, conducted the study, which was released Friday, by the State Department and the Panama Canal Co. He said that actual and potential toll revenues will be sufficient to meet the costs of operating the waterway for the next five to 10 years.

But he told the Senate Foreign Relations Committee that toll increases anticipated by the new Panama Canal treaties could discourage the use of the waterway and result in loss of income. The treaties call for the United States to relinquish control over the canal by 2000.

"Everyone concerned with this believes that while it's important to have the best possible coordinated intelligence coming out of the CIA, it's also important that competing points of view be preserved," said one of the drafters of the executive order.

The order sets limits on the kinds of domestic activities the intelligence agencies may engage in during peacetime, with particular emphasis on protecting the rights of U.S. citizens.

The order limits covert actions to foreign locales and stipulates that, except in times of war, only the CIA will take part in them. "There will be no Comeltro," said an administration official, referring to the FBI's effort to undermine U.S. dissident groups in the 1960s and early 1970s.

Making Contact

Inside the United States, the order forbids spy agencies from making contact with academic or other research organizations without letting officials of the organizations know with whom they are dealing.

Also, it forbids their undisclosed participation in private organizations unless they are made up primarily of persons of foreign nationality and are thought to be working for foreign governments.

The new plan gives the attorney general power to veto proposed covert actions.

Congress also is brought into the picture. Its intelligence committees will be informed in advance of proposed covert actions, although they will have no veto.

The executive order is the product of a review begun shortly after Mr. Carter took office a year ago. It was jointly worked out by the staffs of the intelligence committees and the office of national security affairs adviser Zbigniew Brzezinski.

Montana Names Senator

HELENA, Mont., Jan. 22 (AP).—Chief Justice Paul Hatfield of the Montana Supreme Court was appointed today to fill the seat of the late Lee Metcalf in the U.S. Senate.

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The State of Mr. Carter's Country

The state of our union, says Jimmy Carter, is sound. Not because Jimmy Carter has been President for a year, but because the American people are confident, hard-working, decent and compassionate, and because their economy and military establishment stand strong. Now that the boys are home from Vietnam and the zealous are out of the White House, he concludes, there is no great cause or crisis to divide us, or to invest our leaders with heroic mandates. So this is the time to oil the machine of government and to replace some malfunctioning parts, to tend to some unfinished business and to prepare for the foreseeable future so that no new crisis will overwhelm us. Not a bad reading, we suspect, of the American mind.

But that is not the way Jimmy Carter would have spoken if Gerry Ford had delivered the same message—as well, he might have. A Carter still reaching for the White House would have complained of a smug and bankrupt administration letting the nation slumber while dangers threaten. Inflation and unemployment at intolerable levels continue to sap our productive power. The delay even of a modest energy program undermines the nation's economy and security. Huge numbers of Americans remain excluded from the general prosperity, abandoned in deteriorating cities. Feeble arms control agreements have undermined rather than enhanced diplomatic stability without diminishing the burdensome costs of weapons. The industrial West's economy lies in deep recession with no prospect of revival. A stingy America is doing little for the struggling peoples in the rest of the world. This, too, is fair comment on the state of our condition.

Jimmy Carter knows both scripts. He hears both the silent majority and the smothered minority. From the majority he

seeks not sacrifice, or even vision, but prudence. From the minority he seeks patience while further relief, though hardly remedy, is sought.

The President's common sense and sensitivity have been his most admirable qualities over his first year. That is why he well understands the differences between his time, so far, and Lincoln's or FDR's. Be grateful I'm not a hero, he tells us—because heroic presidents are from crisis born. He understands, as well, that he threw too much reform and revival at Congress last year. The dangers and inequities so obvious to Jimmy Carter were not at all obvious to the country. Once elected, he overestimated his own triumph at the polls and underestimated the do-little appeal of his predecessor. So Jimmy Carter has made his adjustments.

A compromised energy program, he now assures us, will be enough. Massive tax reform can yield to a modest tax reduction, barely large enough to compensate for the tax increases in Social Security and energy. Welfare reform—and welfare recipients—will have to wait. Health insurance must be delayed. The military budget cannot be contained. Let's at least avoid a brawl over the Panama Canal treaties—which affect so few of us anyway. The rest of the world is being tended, but with no evident conviction that Americans care or need care much about it. (Is it really possible to discuss the state of our union without discussing the state of Saudi Arabia?)

This President, alas, knows us too well. Having tried, however ineptly, to rouse the nation only to be kicked for the effort, he invites us now to slumber on soundly but to let conscience stir our dreams. He is a soothing flatterer and a sensible President, but not yet a leader, or teacher, even for a quiet time.

THE NEW YORK TIMES.

Judging the FBI

Some Monday soon, the top brass of the Justice Department will gather for its weekly staff lunch. Someone will say "Judge," and three heads will turn. Attorney General Bell is a former federal appeals court judge. So is Solicitor General Wade McCree. And so is William Webster, the administration's new choice to be director of the Federal Bureau of Investigation. The fact prompts a lawyer friend to raise a question. Without meaning the slightest criticism of Judge Webster, he asks: Is it healthy for the administration so frequently to raid the federal judiciary for executive-branch appointments?

It's a fair question. The separation of the branches of government is a principle of constitutional importance. And the tradition of regarding federal judges as a bit cloistered strengthens public respect for courts and, hence, for the rule of law. It hardly enhanced that respect when, in the Nixon years, a federal judge was courted for the FBI position while presiding over a case related to the Pentagon papers. Beyond such specific lawlessness, there is a more general, atmospheric consideration. For such past giants of the federal appellate bench as, say, Learned Hand, to have accepted executive office in any circumstance is unimaginable. That judges now seem regularly willing to do so suggests a general erosion in the image and stature of the judiciary. Our lawyer friend is right to feel uneasy.

Nevertheless, at least on brief acquaintance with Judge Webster's qualifications, we think Judge Bell was justified, indeed wise, to propose him as FBI director. While the executive and judicial branches alike should, generally, resist use of the federal bench as a talent pool, the circumstances here are exceptional.

"Snake-bit"—that's what the attorney general recently called the long, frustrating task of finding a successor to Clarence Kelley. First, the administration had to learn for itself that formal search committees rarely produce excellent candidates—and meanwhile, months had gone by. Then, in August, jackpot! The choice of another federal judge, Frank Johnson, brought universal acclaim—but then he had to step aside for health reasons. That left the problem tougher, if anything, than before. Now it was not enough simply to find someone with experience, dignity and devotion to law—it had to be someone the public would

recognize as having those virtues. It was reasonable on that ground alone for the attorney general to look yet again to the federal judiciary.

There is, however, a more fundamental justification for selecting a man like Judge Webster, experienced as a prosecutor and a lawyer and so well regarded as a judge that he was once considered for the Supreme Court. Respect for the law must embrace respect for law enforcement as well as for judges—and we live in a time of severely diminished respect for the FBI.

Disclosures of sordid, even illegal past activities continue to corrode the stature of an agency which, not so many years ago, epitomized stern, professional and fair law enforcement. Judge Webster's task will be not merely to administer the FBI but to rebuild it, its morale and its public reputation, proceeding from reforms conscientiously begun by Clarence Kelley.

The Senate, surely, will examine him and his qualifications painstakingly. The task may be easier because he is a judge—investigation can go beyond what his friends and neighbors say to a large body of opinions reflecting his values and views.

Once confirmed, he would, within days, have to turn urgently to the development of a charter for the bureau's activities, making law instead of the discretion of fallible officials determine the limits of FBI activities. Before many more days pass, it is to be hoped that Director Webster would begin articulating a larger, modern agenda for the bureau. The preoccupation, in the J. Edgar Hoover days, with spies, bank robbers and car thieves—even if once justified—no longer suffices. The nation needs the energies of a proud FBI in combat against white-collar crime, public corruption, organized crime and its infiltration of legitimate business.

In all this, the public should be able to draw confidence from the devotion to law that Judge Webster's record demonstrates. Let there be a certain confusion about which judge is being addressed at the Justice Department luncheon—for years at a time, J. Edgar Hoover didn't bother to attend them at all. When it comes to reviving—and controlling—the FBI, better too many judges than too few.

THE NEW YORK TIMES.

International Opinion

No More

No further concessions can be extracted from Mr. Sadat. In the most literal terms he has taken his life in his hands in order to make peace. If he fails, there is no way

In the International Edition

Seventy-Five Years Ago

January 23, 1903
LONDON—At the annual conference of the chambers of commerce to be held in London next month, a resolution submitted by Liverpool, and supported by the leading commercial centers in the United Kingdom, will be considered, asking for improved telegraphic communications with the Continent. The Paris Chamber will also ask the conference to adopt a resolution on Anglo-French telegrams, urging a reduction of the rate to a penny per word.

Fifty Years Ago

January 23, 1928
FALL RIVER, Mass.—Textile mills have cut wages 10 per cent, the reduction to be effective on January 30. Between 25,000 and 30,000 workers are affected by this decision. The union has called a meeting to determine whether the reduction should be accepted or fought. The New England textile industry has experienced depression for some time. Nearly everything from the price of raw materials to changes in women's styles has been blamed for the condition.



'Seoul: U.S. Officials Are Permitted, With Certain Restrictions, To Question Tongun Park on the Congress-South Korea Bribery Scandal.'

A Little Time, a Little Silence

By James Reston

WASHINGTON.—As a general rule in this city, nothing is ever quite as good or as bad as the prevailing mood of the moment. This is Murphy's Second Law, and the wisest of cynics on the Middle East suggest that Murphy had a point.

The excessive hopes about the Sadat-Begin talks have been followed, as usual, by excessive fears. Suddenly, everything that was proclaimed to be "wonderful" before Christmas is now being denounced as "terrible," and even Henry Kissinger, an old buddy of Murphy, is recommending that we keep our shirts on.

What has broken down in the Middle East is not "the talks" but the talking. The negotiations haven't ended; they haven't really started. Sadat and Begin haven't failed, but their Super Bowl diplomacy, with TV cameras and instant replays in every dining room and locker room, has failed, and there is now a pause for reflection.

Governments' Role

So the question now is what the Israeli and Egyptian governments, and the U.S. government—not just Begin, Sadat and Vance—are going to do with the pause. This is now under serious discussion and even dispute here.

The prevailing view within the Carter administration seems to be that Washington must use its influence on both sides to keep the "momentum" going. But there is another view here that everybody is busy with "momentum," and maybe what the situation requires is a few days or even weeks of serious private negotiation, and, if possible, a moratorium on public pronouncements. Since neither side is ready to "put up" according to this view, at least they should be willing to "shut up" and let everybody think before they begin talking again.

Washington needs this pause almost as much as Jerusalem and Cairo do. There is disagreement here about what Secretary of State Vance's role should be after his recent mission in the Middle East. Some officials are arguing that this is a moment in the crisis between Begin and Sadat for the United States to keep intervening and defining the Carter administration's recommendations for a compromise. Others are insisting that the United States should stand aside for a while and not try to get short-range compromises, but let Begin and Sadat consider the consequences of their disagreements.

There is reason for saying here that the Carter administration is beginning to listen a little more to the people who are recommending patience and caution. The suggestion that Begin and

Sadat should fly here to argue out their differences with President Carter, for example, was quickly vetoed, on the ground that it would be an embarrassment to Carter if Sadat and Begin had not agreed in private and in advance about what was going to be decided if they met with Carter.

Stand Back

The feeling is also growing here among the major advisers to the President that it is wrong for Vance to get involved in settling tactical or procedural points with Sadat and Begin on such things as the agenda for their discussions. But instead, this argument goes, the United States should stand apart, on these preliminary questions and reserve its influence for the critical decisions on territories, boundaries and the fate of the Palestinians.

There is reason for believing that the Carter administration does know what it wants to recommend and what it will say to the Israeli and Egyptian governments—but prudently, at the right time.

The official view here, as I understand it, is that Washington will say to Begin quite frankly: We support United Nations Security Council Resolution 242, now as before, and we mean what it says; it means giving up territories captured by Israel in the 1967 war, including the West Bank. It does not talk about the "residents" of Samaria and Judea. As one high official of the Carter administration put it: "It is territory we are talking about, not residents." That is the West Bank

Not Pessimistic

The officials in Washington most concerned with this Middle East crisis recognize that it will be hard for Begin and Sadat to swallow the compromises that the Carter administration has in mind, but they are not pessimistic about the prospects in the long run.

There is a feeling here that Sadat did not pull out of the Jerusalem talks out of pique or anger at Begin's reluctance to the Egyptian foreign minister, but that he was trying to bring the negotiations to a crisis and force the United States to put pressure on Israel.

The reaction here is fairly clear. Washington is not going to play this game. As some point it is clearly going to lean on Begin to accept UN Security Council Resolution 242, and on Sadat to accept an interim compromise between self-rule and self-determination for the Palestinians. But not now. The feeling is growing here that everybody needs a little time and a little silence.

Growing Soviet Role in Africa Worries Sadat

By Victor Perry

LONDON.—One of the least noticed motives for President Sadat's peace initiative with Israel is the concern in the Egyptian leadership with rising Soviet-backed radical influence in Africa.

Over the past two years the Egyptians have watched with growing worry as the Russians and their Cuban proxies turned Africa into the principal world arena of radical incursion, in many ways bypassing the Middle East conflict.

Egypt, and other moderate African and Arab countries such as Morocco, Senegal and Saudi Arabia, have been troubled by the U.S. role—or, rather, lack of a role—in countering this radical trend. As one Egyptian diplomat put it recently, "The United States has, since Angola, countered with little more than inspired rhetoric. The Russians aren't impressed."

Over the past 20 years Egypt has filled the roles both of protector and mentor for many of Africa's newborn nations. As the radical threat in Africa moved closer to vital Egyptian interests, however, Egypt has found itself obliged to choose to which of these two "fronts" it would devote its limited military and strategic resources.

Thus it came about that the Egyptians were faced with the possibility of making peace with Israel—a country which was never perceived as constituting a threat to primary Egyptian interests—in order to freely deal with much more basic strategic challenges in Africa.

A growing Soviet influence on the Horn of Africa—first Somalia, now Ethiopia—and in Uganda, the Libyan threat to the Sudan, all endanger the sources of the Nile, Egypt's lifeline. The

Clean Slate for Carter —At Least Temporarily

By David S. Broder

WASHINGTON.—January is the President's month in Washington and in national politics. It is the month when he can wipe the slate clean, at least temporarily, of the frustrations and disappointments of the past 12 months and regain the policy initiative.

The formal occasions of the month all showcase his program for the future, embodied in the State of the Union address, the economic message, the budget.

The spotlight is on the President, but it shows him, this year, precariously balanced on a high wire of economic decision-making, where any major miscalculation could bring a very long fall.

Right Choice

In one sense, Carter has already made the right choice by focusing in these highly publicized messages on the pocketbook issues—energy, employment, inflation, economic growth and governmental finance. These issues are not only substantively the most important but are uppermost in the minds of the voters in this election year.

First, he has to find a way to persuade Congress and the country to take steps that have immediate costs, in order to ward off future problems. He has been unable to do so far with the energy issue. His energy program, if approved, would raise prices and taxes at once, and inconvenience many consumers and businesses. The energy crunch is designed to ease it still some years distant. To date, Carter has not been able to sell his insurance policy against a future energy crisis; the price is just too high.

Out of Gas

Now he faces a similar challenge with his tax-cut proposals. The economy is perking up slowly, but now, with unemployment coming down and production going up, but Carter's economic advisers tell him the "drag" of higher Social Security taxes, lagging investment, trade deficits, and the inflation-fed movement of most families into higher income-tax brackets will cause the economy to run out of gas some time within the next year.

That makes an income-tax cut advisable. But the tax cut is not popular with those who want rising federal revenues used either to reduce the budget deficit or to pay for bigger domestic pro-

grams. So, as with energy, the President must make the case for sacrificing something now in order to forestall future problems.

Second, the spotlight shows Carter making extremely painful choices between attractive but conflicting current goals. At the same time that he wants to provide added stimulus to the economy, he wants to guard against feeding the already strong forces of inflation.

The size of the tax cut and the size of the budgeted spending figure represent uneasy efforts to strike a balance between these goals. But just because they are compromises, they inevitably become targets for criticism, both by those who would put all their emphasis on job-creating stimulus and by those who would sacrifice everything to curb inflation.

Even within the area of anti-inflation policy, Carter faced a hard choice. A program with "strict" spending guidelines for wage-price increases backed by a comprehensive government monitoring system and the threat of "jawboning" would have alarmed the very business leaders he is trying to persuade to take investment risks.

But a program lacking such "teeth" is sure to be depicted as no more than a tissue-paper barricade to the tiger of inflation. The resulting compromise—rejecting guidelines or jawboning and instead relying on voluntary "standards of behavior" related to the past wage-and-price patterns in each industry—becomes the target of the same crossfire of criticism, from both sides, as the tax and budget decisions.

Cruelest Dilemma

Finally, the cruelest dilemma of all involves the effort to assure the prudent policy choices of today with the promises of the 1978 campaign. Carter is burying those promises at a pretty rapid rate, and this week he writes off one that he really hates to concede—the pledge to balance the budget by the end of his first term.

In real-world terms, it is an honest acknowledgment of political reality. To say a balanced budget cannot be achieved on the promised timetable without incurring unacceptable costs in terms of stunted economic growth and increasing tax burdens. But, ironically, that honest admission can weaken the President's public credibility, when it is measured against the imprudent and ill-considered promises of the previous presidential campaign.

So, other politicians can console their envy of Carter's hogging the spotlight with his speeches and messages this week. Something the spotlight just lets you see he rocky the landscape really is.

Letters

Amnesty Replies

William F. Buckley Jr. has written (Herald, Jan. 9) that he is resigning from the Advisory Board of Amnesty International because of an "announcement by Amnesty International that it would henceforward devote its resources to a campaign against capital punishment."

It is regrettable to lose such a longstanding and prominent member of the movement. It is more regrettable that his decision to resign on this issue seems to be based upon a number of misconceptions; we would like to correct the most serious of these. For the remainder we shall be writing personally to Mr. Buckley.

Amnesty International has opposed the death penalty without reservation, in all cases, from 1972. The international statute of the movement includes opposition "by all appropriate means" to the imposition and infliction of death penalties and torture or other cruel, inhuman or degrading treatment or punishment of prisoners or other detained or restricted persons whether or not they have used or advocated violence."

Following Article 5 of the Universal Declaration of Human Rights, Article 7 of the International Covenant of Civil and Political Rights and the Geneva Conventions, we oppose torture and cruel, inhuman or degrading treatment or punishment in all cases, including those where the victim is not a prisoner of conscience. As far as the death

penalty is concerned we consider that it constitutes the ultimate form of cruel, inhuman or degrading treatment or punishment. We thus oppose it in all cases, irrespective of the victim's views or the offense for which he or she has been convicted.

The only difference now is that Amnesty International has started a systematic program, launched by an international conference held last December in Stockholm, in order to give the problem of the death penalty the full and serious attention that our international statute requires. This we have already done since 1973 with regard to the problem of torture.

This should serve to clarify that Mr. Buckley's impression that we have only now "come out against capital punishment" is mistaken.

DICK COSTING, Deputy Secretary-General, Amnesty International, London.

Join the Club

Roy Reed is to be congratulated (Herald, Jan. 11) on his lively and perceptive article on the hardships faced by the great gentlemen's clubs of London. In one small detail only, however, his story was a bare month or two out of date. He wrote that the Royal Automobile Club is said to be in "great trouble."

Dead right a few months ago, but increasingly less so today. The RAC is far bigger than any other London club: To give you an idea, in the basement of its

London premises alone it has a full-size marble swimming pool, squash courts and palatial Turkish baths; on the top floors there are 75 simple but comfortable residential bedrooms and in between there are two floors of most stylish reception rooms; just outside London it has a country club with two full-sized golf courses, tennis courts, etc. Not quite the same as Boodle's or Arthur's, you will agree.

SIDNEY LESSER, London.

Pakistan A-Plant

Apologies Sheila Oakes's letter (Herald, Jan. 18), it is only fair to remind your readers that Pakistan has taken all necessary steps to assure France and the international community that the plutonium produced by the nuclear reprocessing plant will not be used "for manufacturing atomic weapons," as is being insinuated.

Recently, the Foreign Office spokesman in Islamabad once again unambiguously declared that "Pakistan has neither the intention nor is there the possibility of her being able to divert plutonium separated in the reprocessing plant for any non-peaceful purposes because of the strict international safeguards of the International Atomic Energy Agency of Vienna written into the agreement."

M.H. ASKARI, Press Counselor, Embassy of Pakistan, Paris.

Amounts Reportedly Differ

Testimony by Tongsun Park Said to Contradict His Lists

By Robert L. Jackson

SEOUL, Jan. 22.—U.S. prosecutors here are finding that the sworn testimony of Korean businessman Tongsun Park conflicts sharply with lists of purported political payments that Mr. Park kept, it was learned yesterday.

In many instances, according

Bribe Data Claimed on Incumbents

By Charles R. Babcock

WASHINGTON, Jan. 22 (UPI).—U.S. House of Representatives investigators said that they have evidence that some present members of Congress might be criminally involved in the South Korean influence-buying campaign, but that they are withholding such evidence from the Justice Department for now.

Leon Jaworski, special counsel to the House Committee on Standards of Official Conduct, Friday told a group of junior House Democrats that he could recommend disciplinary action now against a few current members who had accepted favors from the South Korean government, but that he would wait until he had more evidence that some of those members might even be "criminally culpable."

Peter White, Mr. Jaworski's deputy, said later that the committee had evidence that suggested criminal activity by current members. "Any compelling evidence will be at the appropriate time," he said.

He did not say how many members were involved or when the evidence would be given to the Justice Department.

Resolution in his talk to the congressmen, also said that he would ask the House to pass a resolution demanding that the South Korean government provide businessmen Tongsun Park, accused in the influence-buying scheme, former Ambassador Kim Dae-jung and others for questioning or face a cutoff of U.S. aid.

House Speaker Thomas O'Neill Jr., D-Mass., immediately said that he supported such a resolution.

[Rep. O'Neill said today that he does not think Congress will approve aid for South Korea unless Mr. Park agrees to testify before Congress. O'Neill reported Rep. O'Neill said that he had delivered that message last week to South Korean Ambassador Yong Shik Kim.]

Mr. Jaworski's remarks seemed certain to cause consternation in the executive branch.

The State Department has opposed linking Korean cooperation in the investigations to military and economic aid.

Benjamin Civiletti, the assistant attorney general who just returned from questioning Mr. Park in Seoul, said after Mr. Jaworski's talk that the House investigators "have clear duty to provide any evidence of possible criminal violations immediately to the Justice Department."

Mr. Civiletti said after interrogating Mr. Park that he did not expect indictments of current members of Congress.

He repeated that conclusion Friday and said of Mr. Jaworski's remarks, "I don't believe that Mr. Jaworski was indicating that he or his staff was withholding evidence."

to sources close to the case, Mr. Park has testified that he paid sums to members of Congress that are far below the dollar amounts on lists in the possession of Justice Department attorneys and congressional investigators.

The lists

The principal list is one that Jay Shin Ryu, a former employee of Mr. Park, has furnished to federal authorities. This document, which allegedly was compiled at Mr. Park's direction in 1972, contains the names of an estimated 120 congressmen and additional executive branch officials to whom Mr. Park reported he paid tens of thousands of dollars.

Another list reportedly being used to question Mr. Park is one that was seized and copied by U.S. Customs agents when Mr. Park passed through Anchorage, Alaska, en route to Washington, D.C., in December, 1972. It reportedly contains the names of about 80 congressmen and 10 senators, with figures representing large dollar amounts next to their names.

The Justice Department first learned of this list when it began investigating Mr. Park's activities in 1976. Customs agents found the document in Mr. Park's possession during a routine search and kept a copy.

A third list believed to correspond more closely with Mr. Park's testimony here is a personal diary he kept in 1972.

Mr. Park has passed a series of lie detector tests in responding "No" when asked—name by name—if he gave money to many of the officials on his first two lists, according to sources familiar with his closed interrogation here.

Possible Exaggeration

One conclusion to be drawn from his testimony, the sources said, is that Mr. Park was exaggerating his Washington influence and gift-giving to impress officials of the Seoul government in written reports.

Another possible conclusion is that some of the information in the lists, while valid, is being denied by Mr. Park to protect his political friends.

But attorneys for the Justice Department, who are giving Mr. Park immunity from prosecution, are more inclined to believe Mr. Park's sworn testimony than his lists, according to sources here.

Paul Michel, the U.S. attorney who is principally questioning Mr. Park, said that Mr. Park was being confronted "with many documents and some very specific information."

"When you are investigating bribery, the best method is to get the direct, accusatory testimony of the apparent bribe-giver," Mr. Michel said. "This is more important than any document by itself."

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Poland, Gabon to Get New Ambassadors

WASHINGTON, Jan. 22 (UPI).—President Carter has announced that he is nominating Assistant Secretary of State for African Affairs William Schaetzel to ambassador to Poland, replacing Richard Davies, who has resigned.

Mr. Carter also announced he will name Arthur Tenken as ambassador to Gabon and to the Democratic Republic of Sao Tome and Principe. Mr. Tenken, who has been deputy mission chief in Addis Ababa since 1976, will succeed Andrew Steinman, who has resigned.



ONLY A TEST—The new MK-3 nuclear/biological chemical warfare uniform, now being put into service with British forces, is tried for maneuverability in Wiltshire, England. The suit weighs under 2 pounds.

In Amateur Photography Field

Eastman Kodak Is Convicted Of Monopolistic Practices

NEW YORK, Jan. 22 (NYT).—

The Eastman Kodak Co., the world's largest manufacturer of photographic products, has been found by a jury in Federal District Court in Manhattan to have used its technological dominance to monopolize much of the amateur photographic business.

In returning the verdict yesterday—in a \$30-million civil action filed against the company by Berkey Photos, Inc.—the jurors found that Kodak, with yearly sales of \$6 billion, monopolized various segments of amateur photography. As a result, the jury found, Kodak damaged Berkey, which has sales of less than \$300 million a year.

Walter A. Fallon, Kodak's chairman and chief executive officer, said in a statement issued from company headquarters late Saturday afternoon that Kodak would appeal the jury's decision.

"We believe that the court applied an incorrect standard of law in the case," Mr. Fallon said.

The panel also ruled that Kodak received excessive benefits from its cooperation with the General Electric Co. and the Sylvania Co. in developing flip-fash units for its pocket cameras.

Although the jury ruled that Kodak had monopolized these markets, it answered "no" to questions about whether Berkey had proved its charges that Kodak "unlawfully attempted to monopolize the market" in color print paper, amateur movie cameras and photofinishing.

Judge Marvin Frankel, who presided over the seven-month trial, described as one of the most complex and contentious in the history of photography, ordered the jurors to return to court on Feb. 21 for trial of the damages against Kodak.

The judge said he expected that trial to last two or three weeks.

The jurors began their deliberations Saturday, Jan. 14, after Judge Frankel, in an unusual procedure, gave them a list of 35 questions to assist them in

their discussions and to which they were to answer yes or no.

John Doar, Kodak's chief lawyer, said he believed that the trial represented the first time a jury had been called upon to judge the conduct of a major corporation. Kodak had requested the jury trial, but may now appeal on the grounds that, because of the basic anti-trust issues involved, the case should never have gone to trial.

Mr. Doar indicated he was puzzled by an affirmative answer by the jurors to one of the questions and a negative answer to another.

The jurors answered "yes" to the question: "Has Berkey proved its charge that Kodak monopolized the market in color print paper to the injury of Berkey in its business or property?"

Yet they answered "no" to the question: "Has Berkey proved its charge that Kodak unlawfully attempted to monopolize the market in color print paper?"

Judge Frankel said he had read over the answers before announcing the verdict and said he had found them to be "consistent, rational and logically arrived at."

The trial was the first of four anti-trust complaints filed against Kodak in 1973, the year after it introduced its revolutionary instant pocket camera with new film size and chemistry.

One of the complaints, brought by Bell & Howell, was settled out of court in 1974, providing for prior disclosure by Kodak before introducing new films that could significantly affect producers of movie cameras or processing of film—the business Berkey concentrated on.

The two remaining lawsuits, filed by the GAF Corp. and the Pavelec Corp., had awaited the outcome of the Berkey suit. Since filing their law suits, GAF and Berkey have gotten out of the small camera and film business.

Phnom Penh Is Said to Resemble a 'Ghost City'

PEKING, Jan. 22 (Reuters).—Phnom Penh resembles a "ghost city" with useless currency notes lying in the streets after the Communist rulers blew up the state bank according to Scandinavian diplomats just returned from the Cambodian capital.

The Swedish, Finnish and Danish ambassadors here gave their impressions tonight to Nordic correspondents following a two-week official visit to Cambodia. The visit had been arranged before the conflict with Vietnam broke into open warfare.

The envoys declined to discuss their talks with Cambodian leaders, but said there were no signs of war in Phnom Penh itself—no panic or troops.

Danish Ambassador Kjeld Mortensen was quoted by the correspondents as saying Phnom Penh resembled a "ghost city." He and his colleagues had been told the present population was 20,000, but it appeared to be much less.

Apparently Newcomers

The average age of Cambodians in the capital seemed to be about 20, and they all appeared to be newcomers to the city. The former inhabitants had been driven out.

Finnish Ambassador Pentti Suomela was quoted as saying many of the people appeared to be driven into the city by truck in the morning and fanned out again in the evening.

He noted the old Cambodian currency, were lying around in the streets. All that now stood of the state bank was the stone portal, Mr. Suomela said.

There were no buses, mail or telegraph services and only the main streets were open in what the Finns said "must have been one of the most beautiful cities in Southeast Asia."

Side streets and pavements were blocked off and vegetables

were growing on them. The impression was that Phnom Penh was at least self-sufficient in food.

The diplomats were quoted as saying there was only one shop in the city—a diplomatic store which sold items in hard currency to the handful of foreign diplomats. China, Laos, Yugoslavia, Albania, Egypt and North Korea are the only countries with two-week official visits to Phnom Penh.

Referring to the cooperatives

and absence of money in Cambodia, Mr. Bjork said there were some economic transactions between cooperatives and the state, but not between one cooperative and another.

The ambassadors said they had met the vice-premier in charge of foreign relations, Teng Sary, and head of state Khieu Samphan. They had discussed Cambodia's relations with its Indonesian neighbors, but the diplomats declined to elaborate.

Unmanned Cargo Craft Docks With Salyut-6

MOSCOW, Jan. 22 (Reuters).—The Soviet Union's unmanned cargo spaceship docked today with an orbiting station where two cosmonauts are heading for a new Soviet space endurance record.

The cargo ship Progress-1, launched on Friday, took fuel, scientific equipment and supplies to the spacemen who watched it dock with the Salyut-6 station.

Progress-1, guided by ground control stations, has been officially termed the "brother" of the Soyuz manned vehicles used in Soviet space exploration. Soyuz-27, in which the two cosmonauts are expected to return to earth, is docked at the other end of Salyut-6.

Tass said that the cosmonauts, Lt. Col. Yuri Romanenko and engineer Georgi Grechko, only watched as the craft moved in and docked, but that they were ready to move the station if anything had gone wrong.

The location, approach, tethering and final locking operations were executed by radio and computer devices on Progress-1. Existence of the new spacecraft was kept secret until its launching. The new craft, said the newspaper Pravda, is as essential to the future of space exploration as the Soyuz. Tass also revealed that it was not designed to return to earth.

When its cargo has been unloaded—a process that began soon after the docking—it will be detached from the Salyut station and sent back into the earth's atmosphere to burn up.

Tass said that this was aimed at cutting costs and increasing possibilities for delivering supplies to orbiting space stations, which has been the focus of the Soviet space program since the Soyuz. Tass also revealed that it was the moon almost a decade ago.

Col. Romanenko and Mr. Grechko also will use Progress-1 as a bin to take away scientific equipment no longer needed.

Tass hailed the possibilities opened by successful docking of the transport vehicle for prolonging

ing manned missions. The cosmonauts, who arrived aboard the Soyuz-26 ferry craft on Dec. 11, are less than three weeks from equaling the 63-day Soviet space endurance record. The longest space stay was 84 days by a U.S. Skylab crew in 1974.

Ten days ago, a second team of spacemen, Col. Vladimir Janibekov and engineer Oleg Makarov, reached the Salyut station in

Soyuz-27 to complete the world's first double-docking operation. They returned last Monday aboard the Soyuz-26 leaving Soyuz-27 attached at the other docking port. Tass said that manned Soyuz flights and unmanned Progress flights were planned to the orbiting laboratory. All systems were reported functioning correctly and the cosmonauts feeling well.

Navy Combat Plane Expenses Criticized in Pentagon Memo

By Bernard Weinraub

WASHINGTON, Jan. 22 (NYT).—Defense Secretary Harold Brown and his staff have circulated within the Pentagon a secret memorandum that strongly criticizes the Navy for spending too much money on combat planes and says bluntly that "the Navy situation is not improving."

In a lengthy document, issued early this month to the Army, Navy and Air Force, Mr. Brown and his staff said that Navy and Air Force programs are "a study in contrasts," with the Air Force meeting its long-term requirements while Navy efforts are seriously lagging.

"The Air Force has been able to buy over twice as many aircraft with only 50 per cent greater funding" than the Navy, said the document. "This has allowed the Air Force to meet, for all practical purposes, its long-term average procurement requirement" while the DON [Department of the Navy] meets only slightly more than half of its needs."

Other Attacks

The criticism of the Navy's aircraft program follows by about a year sharp attacks from Congress on the lagging Navy shipbuilding program, which has been mired in contract disputes arising in part from redesigning the Navy.

The document added that "the inadequate procurement in the 1970s of Navy planes is partly the result of slow production of sophisticated and expensive aircraft as well as the Navy's decision to keep 'several production

lines open at relatively inefficient rates."

In contrast, the report says, "The Air Force has emphasized a small number of production lines turning out aircraft at relatively efficient rates."

The bluntly worded document, stamped "secret," was designed by Mr. Brown as a guide to the services in preparing budget estimates for the next five years.

Although the document, made available to The New York Times, deals with the issues shaping defense policy over the next five years—and points out that "we face an immensely strong and growing military power to the east"—the thrust of the report is that the military, especially the Navy, must control spending.

Jakarta Students Are Jailed, More Papers Closed

JAKARTA, Jan. 22 (Reuters).—Indonesia jailed eight more student leaders here today as the government moved to stamp out opposition to President Suharto.

Sources said more than 40 student leaders have been arrested and six leading Jakarta dailies have been shut down in the last two days in action which Defense Minister Gen. Maraden Panggabean said was aimed at preserving peace and stability.

"The armed forces will not let small irresponsible groups spark trouble which can burn down the whole nation," he said.

The government yesterday banned all student activity, accusing students of acting against the law and abusing universities and schools.

Troops guarded the Taruma Negara and Triakti Universities in suburban Jakarta today and armored cars patrolled the capital, but there were no signs of student protests.

Arms Allowed in Bogota

BOGOTA, Jan. 22 (Reuters).—The Colombian government yesterday authorized civilians to use arms to prevent kidnappings and drug trafficking.

China Backs Cambodia in Border War

BANGKOK, Jan. 22 (AP).—

The widow of the late Chinese Premier Chou En-lai left Cambodia for Peking after meeting with high-ranking leaders and supporting Cambodia in its border war with Vietnam, Radio Phnom Penh announced yesterday.

The Chinese news agency had said that Mrs. Teng Ying-chao, accompanied by high Chinese officials, told the Cambodians their "just cause of safeguarding their country's territorial integrity is winning broad sympathy and support from people all over the world."

The Cambodian radio, monitored here, also accused Vietnam of continued shelling in Cambodia's Ratanakiri Province, where Cambodia claimed a victory over the Vietnamese earlier this month.

The radio gave no casualty figures, but said Vietnamese shells destroyed homes and property.

The Vietnam news agency said Friday that Cambodia was continuing to shell Vietnamese territory and that "we cannot help resorting to legitimate self-defense."

The border conflict began in 1975 after Communist forces triumphed in Cambodia and South Vietnam. Sporadic clashes broke out full-scale battles near the end of 1977 and Cambodia broke diplomatic relations Dec. 30, accusing Vietnam of violating its territory.

Vietnam denied that charge, and said Cambodia had invaded its land.

Smith Tells U.K. Not to Interfere

SHEKE, Rhodesia, Jan. 22 (Reuters).—Prime Minister Ian Smith

called on Britain yesterday, to "get off our backs" and allow an internal settlement without hindrance.

He criticized Britain for not supporting the current settlement talks between his white minority government and the leaders of three Rhodesia-based black nationalist parties. "I call on the British government to refrain from deceiving our present efforts and from attempting to frustrate their success," he said.

"I call on them once more, as I have done in the past, to get off our backs and stop hindering the progress of our country to peace and prosperity."

Two Accused Spies Sentenced in Poland

WARSAW, Jan. 22 (AP).—A Polish military tribunal found a West German couple guilty of espionage last week and sentenced the man and his wife to lengthy prison terms.

The pair "for a long time served the Federal [West German] Intelligence Service by collecting defense, security and economic data to the detriment of Poland and other socialist [Communist] countries," the official news agency PAF reported.

Arms Allowed in Bogota

BOGOTA, Jan. 22 (Reuters).—The Colombian government yesterday authorized civilians to use arms to prevent kidnappings and drug trafficking.

Obituaries

Gilbert Highet, 71, Classicist in New York

NEW YORK, Jan. 22 (NYT).—

Gilbert Highet, 71, classicist, scholar, critic, poet, author and educator, died last week.

He died of cancer Friday at New York Hospital.

Dr. Highet, an English professor emeritus of the Latin language and literature at Columbia University, was a scholar of Greek and Latin. He was called a popularizer of the classics and was considered a leading authority on the subject with his 1949 book, "The Classical Tradition," a study of Greek and Roman influences on Western European and U.S. literature.

Dr. Highet wrote 14 books. His latest, published last year, was "The Immortal Profession." His output was heaviest in the 1950s when he wrote essays, literary history and criticism, mainly concerned with the influence of the classical heritage.

He also broadcast weekly in the

1950s a popular 15-minute radio program carried by more than 300 radio stations in the United States and Canada. Sponsored by Oxford University Press, the program was called "People, Places and Books." The educator touched on a variety of subjects, from chess, surrealism, the art of invective to Icelandic sagas and the American West.

Sir John Hall

LONDON, Jan. 22 (AP).—Sir John Hall, 66, Conservative member of Parliament for Wycombe, died last week in a London hospital after a heart attack.

Sir John, who died Thursday, was director of several brewing and chemical companies. He also was on Gen. Montgomery's staff in World War II.

Dit Clapper

PETERBOROUGH, Ont., Jan. 22

(UPI).—Former Boston Bruins coach and player Dit Clapper, 70, is dead. He was the first member of Boston's National Hockey League club inducted into the Hockey Hall of Fame. Mr. Clapper, who died Thursday, was selected for the Hall of Fame in 1977 during his 20th and final season. He was coach of the Bruins for three years.

Herbert Sutcliffe

SKIPTON, England, Jan. 22 (AP).—Herbert Sutcliffe, 83, a leading cricketer, died at his Yorkshire home today. Mr. Sutcliffe was known for his opening partnerships for England with Sir Jack Hobbs between World War I and World War II. They completed 15 century partnerships in tests, three in consecutive innings against Australia in 1924-25.

6 Soviet Jewish Scientists Assert Persecution Goes On

By David K. Shipler

MOSCOW, Jan. 22 (NYT).—Six Jewish scientists who have been denied permission to emigrate to Israel have written to President Carter expressing concern over what they believe is a tendency in the United States to interpret a recent increase in emigration as a liberalization of Soviet policy.

"Unfortunately," they wrote in the letter which was given to Western correspondents yesterday, "there are no signs so far of a change in the emigration policy of the U.S.S.R., and the tendency in the United States to interpret a recent increase in emigration as a liberalization of Soviet policy."

The scientists' letter reflects their worry that even though the 1977 figures are unlikely to reach the 25,000 level that the U.S. Congress considered unacceptable low in 1973, the upward trend may encourage a relaxation of the trade barriers whose removal Congress made contingent on a freer Soviet emigration policy.

The six scientists took strong issue with statements they had heard reported on Voice of

America radio broadcasts in which unnamed "officials" representatives of the government of the U.S.A. had expressed what they called "satisfaction with the current situation of Jewish emigration."

Such remarks, the letter said, "stand in contradiction to the well-known principled position of the government of the U.S.A. in defense of human rights and can only bring a further deterioration of the situation."

The letter is by Solomon Alter, Viktor Brailovsky, Alexander Lerner and Naum Melman, mathematicians, and by Yakov Alpert and Yuri Gofend, physicists.

They wrote that contrary to the impression given by the rising emigration figures, official anti-Semitic propaganda had increased, the government press had accused Jewish activists of being spies and families applying for visas were waiting longer periods, from eight to twelve months, for answers. Some applicants had been turned down for seven or eight years, they said.

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Japanese-Americans Finding Success Spurs New Problems

By Robert C. Toth

WASHINGTON—Despite great odds, Japanese-Americans have become the most successful racial minority in U.S. history. "Even in a country whose patron saint is the Horatio Alger hero," wrote sociologist William Petersen, "there is no parallel to this success story."

Like blacks, they suffered racial prejudice. Like Jews, they were denigrated and feared as super-efficient competitors. Yet now they have, on average, more education than whites, nearly as high incomes, stabler marriages, and about twice as many professionals as the total U.S. population.

But has success dispersed the ethnic community and its ties, eroding the very circumstances that made Japanese-Americans a "super minority"? What has the ethnic done to Japanese-Americans, another sociologist, Dr. Darrel Montero of the University of Maryland, asked in a recent study.

One traditional Japanese-American mother, watching her children in a Japanese version of the "Flower Drum Song," is said to have remarked: "I feel like a chicken that hatched a duck's egg."

"The prognosis for maintenance of the community is not good," Dr. Montero concluded in his study.

Many Japanese-Americans, on the other hand, are not inclined to dwell on how far they have come, focusing instead on how to go further—to end remaining discrimination and expand the areas of their success. The Japanese-American Citizens League, for example, complains about the "success stereotype."

Made It

"There is the perception by 'decision makers' here that we've made it," said JACL representative Wayne Horuchi, "but it's relative, spotty. We're under-

represented in middle-level management, among other places. "The Justice Department in its Bakke Brief (the court case in which racial quotas at California universities are being challenged) questioned whether we should have a special preference because of the high number of Asian students. But we were very under-represented in law schools and business schools, places where the Bakke decision will also have a big impact," Mr. Horuchi said in an interview.

Anthropologists identify nine "geographical" races. There are three primary ones—Caucasian or white, Asian or Mongoloid, and Negro or black—and six "local" races—American Indian, Australoid, Indic, Melanesian, Melanesian, and Polynesian—that probably once were, but no longer are, genetically related to the main races. American Indians, among others, stemmed from Asians, for example.

Rather than having a problem with success, Prof. Petersen, now at Ohio State University, wrote that Japanese-Americans should have become a "problem minority"—with poor health, low education, low income, high crime rates, unstable families—because of their history of discrimination and unjust treatment.

Growth of Minority

Inter-marriage was once barred by law in some states, and at times there were 25 men to every woman in Japanese communities. Until 1952 Japanese immigrants could not be naturalized, Prof. Petersen wrote, and as non-citizens were legally unable to own farm land or become licensed to practice in many professions. During World War II, some 110,000 were interned, and their properties confiscated, as agents of an overseas enemy.

From only 148 Japanese-Americans in 1880, the population grew to 292,000 on the continental United States in 1970, with



Sen. Daniel Inouye

almost 300,000 more in Hawaii. Three-fourths of those on the continent live on the West Coast, overwhelmingly in California. Los Angeles is the "capital of Japanese-America," with 38 per cent of the continental population (representing 1.5 per cent of the city's population).

Three U.S. senators are Japanese-Americans—Daniel Inouye and Spark Matsunaga of Hawaii, and S.I. Hayakawa of California—as is a California congressman, Norman Mineta of San Jose. Chinese are the second biggest Asian population in the United States (481,000) but have no congressional representatives.

The levels of achievement of Japanese-Americans in socioeconomic terms have been striking. Their median education is 12.5 years, compared to 12.1 for whites, 12.4 for Chinese and 9.8 for blacks. The average family income is \$10,689 annually, only a bit under the white average of \$10,922. In fact, income for native-born Japanese-American heads of families is \$11,830, or

higher than for whites (figures for 1973). Ten per cent of the U.S. population is composed of professional people—but 19 per cent of Japanese-Americans are professionals.

What are the conditions that made these achievements possible? "A strict and effective community discipline," said Prof. Petersen in a recent interview, and a discipline that reinforced the strong work ethic, the drive for education, and family discipline derived from Buddhist-inspired respect for parental and civil authority.

"American norms are far inferior to those set by Japanese-Americans in the first generation for their kids," he said, "but beyond family, there were enormously successful self-help organizations and communal controls."

Land Acquisition

The self-help organizations enabled Japanese-Americans to get land (sometimes by using illegal fronts) or set up small businesses, even though they were very poor, by pooling community resources. A high degree of morality, of honesty was needed since there was no resort to courts to force lenders to repay loans and other help.

Sociologist Ivan Light, Dr. Petersen said, compared Japanese and Chinese-Americans and also native U.S. blacks and West Indians. He found that the Japanese, Chinese and West Indians were successful in pulling themselves up by their boot straps and overcoming discrimination primarily because of self-help groups that meant each person was not operating alone in a hostile society. Of the three, the Japanese-Americans were most successful.

Community control mechanisms were more strict than the law. Two Japanese-American teen-agers who robbed a radio store in Sacramento were arrested, and police treated it as a minor misdemeanor, Prof. Petersen recounted. But the Japanese-American community organized public meetings at which the parents of the teen-agers, as well as the kids, were strongly condemned.



Sen. Spark Matsunaga

Dr. Montero, analyzing data on 3,304 second-generation (nisei) and 803 third-generation (sansei) Japanese-Americans collected in an earlier University of California at Los Angeles project, reported in a paper to the American Sociological Association

in September on the rapid pace of assimilation:

• Neighborhoods and relatives: Only 4 per cent of Japanese-Americans live in mainly Japanese areas, while 58 per cent are in mainly non-Japanese areas. Some 17 per cent live in a metropolitan region where no family resides, which is about equal to the number of white Protestants (20 per cent) in that condition, but far more than Catholics (10 per cent) and Jews (6 per cent) without nearby relatives.

• Friends: Nearly half (47 per cent) of the nisei have other Japanese-Americans as their two best friends, but among the sansei, only one-fourth have Japanese-Americans as their two best friends. The higher the educational level achieved, the fewer Japanese-American friends.

• Cultural ties: Younger nisei were twice as likely as older Japanese-Americans to belong to non-ethnic organizations, such as professional groups for the men, PTAs for the women.

• Inter-marriage: The first generation (nisei) married out of the group only 1 per cent of the time. For the second, the rate is 10 per cent. For sansei, 40 per cent. Dr. Montero found, Mr. Horuchi said, the most recent figures are almost 80 per cent. Only American Indians "out-married" more frequently. Japanese-American women "out-married" three times more often than men.

Dr. Montero quoted another study, made in 1973, which concluded that "Japanese are no longer a group that marries their own." In four areas examined (Los Angeles, Fresno, San Francisco and Hawaii), the Japanese "are now choosing marital partners as much without as within their racial group, it said."

Cultural Links

Dr. Montero said the out-marriages are moving away from Japanese language, religion, organizations, ethnic friendships, and relatives "much faster" than



Sen. S. I. Hayakawa

their in-marrying contemporaries. In view of this, and in particular because of the high inter-marriage rate, he wondered if the Japanese-American ethnic community will survive to the fourth generation, he asked.

If not, he said, other ethnic groups may be heading for the same end—killed by too much success, as it were. The only hope, as he saw it, was in a "cultural renaissance" among the sansei.

JACL's Horuchi contends there is already great interest in traditions. "There is a strong drive to preserve our culture," he said. "Even children like mine who are 'half-Japanese' are taking language courses. Nationally our cultural program is the glue that holds this league together. So many people come to our demonstrations, like 'mochi,' or pounding of rice to make holiday cakes, that we have to turn many away."

groups these days. In Chinatown there were those shootings, and among sansei and yonsei in Los Angeles I think it is a drug problem."

But in the end, Mr. Horuchi believed, most of the new generation will show as much interest in their heritage as those from European stock, where it is said: what the immigrant's son wants to forget, the grandson wants to remember.

Dr. Petersen, on the other hand, sets "no tragedy" in assimilation. But it is a sad paradox, he said, that "to become fully American" does mean lessened success of Japanese-Americans.

"The record of the nisei is in part the record of a persecuted group," he said. "When hostility is relaxed, the subject population relaxes and the community stops being extraordinary."

The third and fourth generations are approaching American middle-class norms because the children are more confused than most, Dr. Petersen added.

"On the one hand, they demand no racial discrimination, while on the other they demand recognition as Japanese-Americans," he said. "They are taking up some of those faults totally lacking in the second generation, like alcoholism, crime and divorce."

"This delayed reaction by the third generation, solid middle-class kids, to injustices of the past, like solid middle-class blacks now protesting the slavery of 300 years ago," Dr. Petersen said, "is because they are personally secure and can afford to feel and express outrage."

Without returning to a continuously precarious life, however, and without fully developed community organizations, the prospect is that "Japanese-Americans will stop being a super-minority. It can't be expected that people will assimilate and still remain distinct, even if distinct means better," he said.

© Los Angeles Times

For 1980 Census

Uncle Sam to Spend \$4 A Head to Count Noses

WASHINGTON (AP)—The U.S. Census Bureau, which spent about \$1 per American in compiling the 1970 census, says it will spend more than four times that amount for the 1980 survey.

Inflation and a larger population can be blamed for part of the increased costs, bureau director Manuel Plotkin said. But the critical reason is that the bureau is making a special effort to reach groups such as the poor and minorities which have been undercounted in the past.

Mr. Plotkin said it is difficult to convey to poor, uneducated persons the importance of responding to the census, which for the first time will include questions about income and ethnic origin.

He said that "the census has an impact on every American. It determines the seats in the House of Representatives."

Key to Funding

He also noted that census information is used to determine how much federal money goes to local communities. So each person who responds can take credit for bringing more federal and state funds for health, education and recreation facilities to his community.

Although the census form takes time to complete, "there is no question that will do people any harm. It's completely confidential, and none of the information can go to any other government agency," Mr. Plotkin said in an interview.

The 1970 census, which measured a population of 204 million, cost \$218 million, census officials said. The 1980 census is expected to cost about 230 million Americans and cost about \$900 million.

Mr. Plotkin said the 1970 census undercounted the number of Americans by 2 1/2 per cent, or 5.3 million persons. An estimated 3.4 million whites and 1.9 million blacks were not counted.

He said 200 field workers—10 times the number in 1970—will be hired in 1980 to help minority

groups complete the census forms in an effort to remedy this problem.

Under law, there is a fine of up to \$100 for willfully neglecting to respond to the census questionnaire.

Mr. Plotkin, 54, took over the \$47,500-a-year post eight months ago. He said the bureau is under increasing pressure from federal, state and local governments to process and release census data quickly.

"We're under more pressure now to get more precise information because there are more government programs, and the allocation of federal funds for these programs is tied into the census," he said. "One of my goals is to improve the timeliness of the data." He said that it will be possible because the bureau's data-processing computers have been updated.

Mr. Plotkin said that, on about April 1, 1980, every U.S. household will receive by mail a census form with questions on such subjects as sex, race, marital status, number of children, educational background, occupation, quality of housing, plumbing facilities and appliances owned.

Short Form

About 80 per cent of the population will receive the short form, which has 10 questions and takes about 15 minutes to complete. The rest will receive the long form, which has about 75 questions and takes about 45 minutes to complete.

The 1980 census will be the 20th conducted by the federal government. The constitutional purpose is the apportionment of seats in the House. But since the early 1800s, when the country expanded greatly, both economically and in territory, the census has involved more than just a count of persons and has reflected changes in U.S. life.

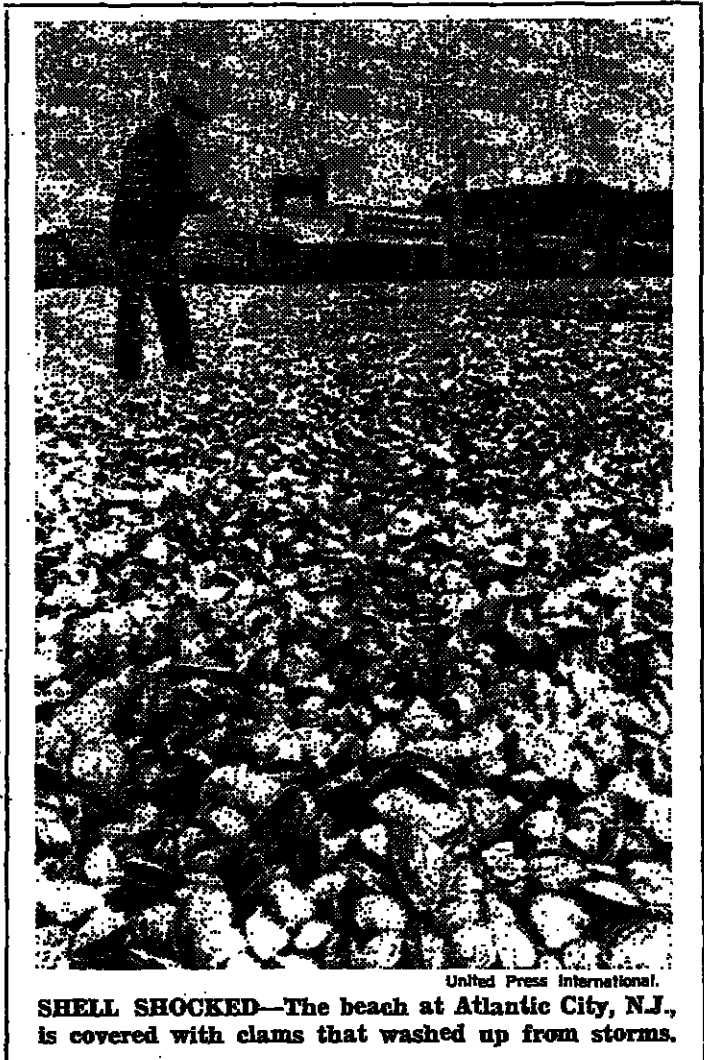
In the last decade, more and more women have joined the workforce and are contributing substantially to the family income. For this reason, the bureau will no longer ask for someone to be designated "head of household."

'Roommate' Category

Instead, questions will be asked about the relationships of the persons named on the form to each other. This also will allow for persons to list "roommate," thereby giving a count of the number of unmarried persons living together.

Industry and business leaders watch the census carefully to see how changes in the age groups and in the population of metropolitan areas will have an impact on their products.

"For many groups, like the baby-food market, the teenage market, the senior-citizen market and the home-owner market, it is of vital importance what changes are occurring in different age groups," Mr. Plotkin said.



SHELL SHOCKED—The beach at Atlantic City, N.J., is covered with clams that washed up from storms.

Jesuit Sees Damage to History

Britain's Wartime 'Lie Factory'

ROME (AP)—The British disseminated thousands of authorized lies in World War II in a psychological warfare campaign that plagued, and probably still does, the Vatican and other institutions, a Jesuit historian has reported.

Fabrications were concocted by a London-based secret propaganda agency called the Political Warfare Executive and covered many topics in an attempt to undermine Nazi Germany, according to the Rev. Robert Graham. "It is not gratuitous, unfair or inaccurate to pin the label 'lie factory' on the Political Warfare Executive," Mr. Graham said. "Its product, the lie, was essentially fictitious, false and mendacious as all its practitioners admit."

Mr. Graham's attack on the use of the lie as a propaganda technique was published in the Italian Jesuit monthly, *La Civiltà Cattolica*.

Vatican Involvement

"The purpose of the campaign was to undermine enemy morale, and I concentrated on how it involved the Vatican," said Mr. Graham, who did his research in the British archives.

The fabrications were at first called "whispers," or "rumors," but when the propaganda machinery became more efficient and production mounted, they were called "lies," from the Latin *stiltura*, meaning to whisper.

Mr. Graham said that the sibs

were suggested by the Foreign Office, British intelligence, the military forces and others. Each was examined, approved and given a number.

They were then circulated—their true origin concealed—by cooperative journalists or news agencies in neutral capitals, private short-wave radio stations in the United States and elsewhere, military attachés, exile governments in London, double agents or through leaflets dropped behind enemy lines.

'Contaminated'

"This mass of wartime misinformation still continues to plague us. The wellspring of historical knowledge, 30 years after the war, remain clogged and contaminated by the debris of deceptions from all sides," Mr. Graham wrote.

He cited, as suggesting that Benito Mussolini, Italy's World War II dictator, had commissioned the Sibs to seek a separate peace for Italy with England; that the Pope would leave Rome if Mussolini declared war on France; that the German government and bishops appealed to the Pope to initiate moves for a "soft peace."

This approach, Mr. Graham said, was aimed at inculating pacifism in Italy and in dividing the Fascist party, as well as at sowing suspicion between Rome and Berlin.

"Before long, we read in the archives, the whisper that Mussolini had made 'surprising

proposals for peace with Britain' had been quoted in both British and neutral papers. One version implicating the Vatican reached France, where the government of Vichy dignified it by insisting the ambassador to the Vatican, Leon Bernard, to get confirmation."

Russian Hardships

He said that hardships on the Russian front were a frequent topic. For instance, the sibs attributed to a Swiss doctor that 200 German soldiers had to be executed because of the severities of the winter was carried by a U.S. news agency on Dec. 4, 1941. He said that it was headlined "The emblems of the Eastern Front."

Mr. Graham questioned not only the morality of sending out false information but said, "The falsehoods and fabrications of the sibs operation will probably continue to bedevil the serious student for a long time to come. The present article may contribute something to end this perplexity, as far as the Holy See and certain religious issues are concerned."

Mr. Graham, who has defended the Vatican's wartime activities, said that the peace initiatives of the Holy See "were often characterized implicitly as merely enemy-instigated. Thus the Holy See's mission of peace and charity was misrepresented and even rendered void."

Meeting's Success Is Held at Stake

Worry Grows That Russians Stall at Belgrade

By Louis Fleming

BELGRADE—The question being asked by delegates at the resumed Conference on Security and Cooperation in Europe here is whether the Soviet Union is "stonewalling," is carrying out a "diplomatic striptease" or is just employing the usual tactics of international negotiations.

The answer will determine whether the review meeting of the conference ends on a positive note.

"I do not share the pessimism of some delegations," a leading neutral ambassador said two days after the Soviet Union tabled its own version of what the final document should be. The Soviet drafters of the document suffered acute amnesia, recalling none of the criticisms of the abuses of human rights that were voiced in the working sessions, remembering only the proposals made by themselves, and not even all of those.

So extreme was the Soviet draft that it drew instant opposition not only from Western nations but also from neutrals, the non-aligned and, within the Warsaw bloc, from Romania.

The comment of the neutral ambassador was significant because it is the neutrals and non-aligned—particularly Switzerland, Sweden, Austria and Finland—that must work out whatever

compromise is possible if it was their negotiating that made possible the final act of Helsinki in 1975).

The Soviet position last week drew an outburst of anger from the Yugoslav delegation on Friday. For the Western delegates, that was a welcome diversion from the usual East-West bickering.

"We've just had a great meeting of DG-6 [drafting group 6] in which Yugoslavia thrashed the Russians and we just sat there and gloated," a Western ambassador reported. The Soviet representative, defending the substitution of the Soviet draft for wording proposed by the neutrals and nonaligned nations, had argued that the Soviet verbiage was more suitable.

He was bitterly challenged, diplomats reported, by Yugoslavia, the host of this meeting and also a co-author of the neutral and non-aligned draft. In speech described as eloquent, the Yugoslav representative challenged any effort to downgrade the Belgrade conference or the neutral draft.

There is an element in the Soviet draft regarded as positive by Western delegations. That is the agreement for another review conference in Madrid that Moscow suggested be held in 1980. There remains a problem in negotiating the date because U.S. representatives have expressed a hope that the meeting can be separated from the presidential election that year.

Possible Ploy

Western diplomats had expected a fight to fix the next meeting but reports among ambassadors here may explain the alacrity of Soviet agreement on Madrid.

It is understood that the Polish delegation, and a Warsaw Pact caucus have suggested that such a meeting might be an appropriate setting for the next review meeting. The Soviet ambassador, Iou Voronov, reportedly became enraged, told the Poles that he had no authority to make such a suggestion, not to express the idea again, and that such matters were to be decided elsewhere, presumably in Moscow.

The last thing Moscow wants is a review of its human rights performance in an Eastern bloc capital. Western diplomats concluded. Delegates from the 35 participating nations—33 European nations, the United States and Canada—returned to Belgrade on Tuesday for four weeks of intensive negotiations aimed at drafting a final statement regarding the 11 weeks of work done before Christmas. The work schedule expires on Feb. 10 and there is no guarantee that there will be agreement by then on a final statement.

In the first four days of work there was so little progress that a Western representative accused the Soviet Union in a press statement of "stonewalling" or stalling.

A NATO ambassador saw it as something else. "I must say it is not a very appealing striptease," the ambassador said.

He was referring to the Soviet demand that the Soviet draft alone be considered and, where

there are areas of disagreement on the Soviet draft, that those parts be stripped. That leaves the possibility of approving nothing but a statement saying that delegates met and agreed to meet again.

Western delegates, mindful of that possibility, are making a point of saying that the review process that has taken place, and the agreement to continue it in Madrid, is no mean accomplishment. But they are not going to abandon efforts to draft a meaningful and complete final statement that will reflect failures as well as accomplishments and new proposals.

The Soviet draft ignored not only all criticism of shortcomings in human rights and human contacts, but also all Western proposals to improve the 1975 Helsinki accord.

What makes negotiations tricky is the consensus rule that gives every delegation a veto over every action and every word. The working groups will continue until Feb. 10, but the most important negotiations now will shift from the committee rooms to the corridors.

An agreement has been reached to create a number of small negotiating committees, each under the chairmanship of one of the nine neutrals and nonaligned, with each group including representatives of both East and West. They will deal with each of the key matters such as human contacts, economic relations, confidence-building measures, European security and human rights.

An influential neutral ambassador thought that a draft for a final document could be developed by each next to newly disclosed documents.

Not all of the negotiating is being done here, however. NATO members have used their experts in Brussels for consultations in developing ideas on confidence building measures that have to

do with advance notice of military maneuvers and provisions for observers.

U.S. Ambassador Arthur Goldberg went to Rome on Friday to consult the Vatican secretary of state in an effort to sharpen the language of a draft proposal on freedom of religion. The wording had drawn criticism as flabby and ambiguous from some groups.

His trip also reflected the political sensitivity of the U.S. delegation to groups with special interests in the human rights aspect of the review conference. Mr. Goldberg had consulted at Christmas while in the United States with groups that have connections to Eastern Europe and to the dissidents in the Soviet Union and other Eastern European nations.

A factor accelerating the work is that Belgrade is not the liveliest or loveliest city in Europe. A number of delegates have expressed concern about the antipathy to the city expressed by many delegates, lest their eagerness to get home encourage acceptance of a final document that could be improved.

If Belgrade is not popular with the delegates, the delegates are almost universal in their praise of the facilities for the conference at the Sava Center, a modern auditorium complex that was finished in time for the preparatory meeting last summer.

In the stark, modern meeting rooms, closed to public and press, the debates go on. In the corridors, informal contacts continue against a background of folk and pop music piped in from a Belgrade radio station. And at night, there are a variety of receptions and dinners throughout the city—the delegates have structured a social life in a city that does not abound with entertainment.

Jaworski Blocked Staff's Plan To Indict Kleindienst in 1974

By Walter Pincus

WASHINGTON (WP)—Leon Jaworski, while Watergate special prosecutor, reversed himself in March, 1974, and stopped an eight-count felony indictment against former Attorney General Richard Kleindienst a day before it was to be filed, according to newly disclosed documents.

Mr. Jaworski, according to the documents, made his last-minute decision after listening to the pleas of two well-known Washington criminal lawyers, Herbert Miller, who was Mr. Kleindienst's attorney, and William Hundley, a friend of the former attorney general.

The documents say that Mr. Jaworski twice before had approved the staff-drafted indictment, which charged perjury, obstruction and false declaration arising out of Mr. Kleindienst's 1972 appearance before the Senate Judiciary Committee in support of his nomination as attorney general.

Details of the intricate and apparently tense negotiations in 1974 are in documents obtained under the Freedom of Information Act by the Fund for Constitutional Government.

Among the Watergate prosecution documents obtained was a covered version of a history of the Kleindienst case prepared in 1975 by Richard Davis, who took over as head of the team that investigated allegations involving International Telephone and Telegraph Corp.

The argument by Mr. Miller and Mr. Hundley that swayed Mr. Jaworski, according to the documents, was that when Mr. Kleindienst first went to Mr. Jaworski's predecessor, Archibald Cox, with information about White House involvement with TIT, he was promised favorable consideration if any case were brought against him.



Manuel Plotkin

Euromarket**Smaller Underwriters Are Finding Participation Is More Expensive**

By Carl Gewirtz

PARIS, Jan. 22 (AP)—Doing business in the Euromarket is becoming a hard game. The big banks that, as lead managers, can call the tune are surviving for what they call more professionalism while the hordes of smaller banks that traditionally constitute an underwriting syndicate are finding that participation is becoming more expensive than ever before.

The lead managers have long argued that underwriters are paid for the purpose of an issue they take down and that the commission is recompense for the risk they undertake. If there were no risks there ought to be no underwriting fee and if the risk occasionally means an underwriter loses money, that is what the business is all about.

With between \$50 million and \$80 million paid out in underwriting commissions last year (between three-eighths to one-half per cent on some \$18 billion of new business), argues a top executive of one leading issuing house, "underwriters have no cause for complaint" about the "occasional" issue that opens trading at a steep discount and may represent a real loss.

The smaller banks argue that they are willing to assume the underwriting risk but on condition that the lead manager prices a new issue realistically.

At present, the banks are in an uproar over the recent \$200-million issue for the European Investment Bank, divided equally into 10-year, 8 1/2-per-cent notes and 15-year, 9 1/2-per-cent bonds, both issued at 97 1/2.

The half-point discount on the issue price, which raised the yield eight basis points on the

10-year paper and six points on the longer-dated issue, was generally considered inadequate as short-term interest rates had moved up about 50 basis points during the offering period and prices of outstanding issues had tumbled sharply—fueled also by the weakness of the dollar.

Lead manager Union Bank of Switzerland did not open trading until last Monday and then at a hefty discount of 97 bid to buy—98 offered to sell. However, the price is restrictive in that UBS will only buy bonds from members of the underwriting syndicate and then only to the extent of that particular underwriter's commitment.

No underwriter wants to be seen to be dumping bonds by the lead manager, none dares to sell back to UBS.

The typical market practice in this case would be for the underwriter to sell his bonds to another market maker, who in turn could sell back to the lead manager who presumably would be buying in an effort to maintain an orderly after-market.

But neutral market makers, knowing UBS is not buying bonds from houses not in the underwriting syndicate, are either not making a market in these EIB bonds, or are quoting prices for only a limited number of bonds (if more than that number come on offer the price drops sharply).

or are quoting prices far under the UBS bid so as to discourage potential sellers. In fact, there has been very little trading in this issue.

Technically, underwriters are not supposed to throw their holdings back into the market. They sign an agreement that they will not re-offer the paper

U.S. Commodities

CHICAGO, Jan. 22 (AP)—Soybean traders were caught by surprise last week when the U.S. government reported that a huge 1.73 billion bushels of beans were harvested in 1977. Soybean futures plunged to their lowest prices since late October.

"Everyone figured the (soybean) harvest would be less than the Agriculture Department predicted last November," a market analyst said. "The bad weather since then should have reduced the yield."

But instead of a lower figure, the government raised its latest estimate of soybean production by nearly 2 per cent. That represented almost 50 million more bushels than market participants had guessed.

The January soybean contract, which sold above \$5 a bushel the preceding week, had slumped to \$5.57 by the time it expired on Friday. Soybeans for delivery through the summer, when the current crop year ends, netted losses of about 35 cents a bushel.

Trading was mostly lackluster after midweek, as most Chicago Board of Trade participants waited to learn how many acres farmers intended to plant this spring.

That report, released after Friday's close, contained more bad news for soybean bulls. Average guesses that about 61 million acres would be seeded with soybeans were considerably short of the 63.1-million-acre figure. Indications that 79.3 million acres of corn would be planted, however, were very close to expectations.

Other grain futures were little changed for the week.

at a price less than the 1 1/2-point selling commission until the lead manager releases them from this restriction. However, this proviso has never been respected by banks operating in this market—mostly because there was never any way to police it.

UBS, which refused to acknowledge that the issue was mispriced, explains its secondary-market maneuver by saying that "the prices of the bonds wouldn't be where they are" without such a restriction, which, if nothing else, is de-facto recognition that the terms were not set to attract investors.

"Disciplining the underwriting syndicate is fine," says one unnamed Continental banker, "but then the lead manager must start out with conditions that are acceptable to the market."

UBS can rightfully argue that any underwriter who did not like the terms could have pulled out of the syndicate once the final conditions were set. But until now banks have been loath to do this, out of fear of offending

either the borrower or the lead bank with whom the underwriter wants to continue to do business. "There is a crude logic to the UBS approach," says a U.K. banker, who agrees that banks which join a syndicate but have no intention of trying to place the bonds are a constant problem. But he disagrees with the UBS method of "cracking the whip."

"The market is not a battlefield of giants," he says. "The banks which regularly seek to be underwriters are 'the bread and butter of the market,' he says, and 'good relations ought to be maintained.'"

As for the wisdom of being seen to refuse participating in an issue, this was shown last week to be an unpopular-making gesture when Warburg was chosen to lead managers yet again—this one reopening the Euro-

sterling market. The selection of lead manager (Continued on Page 11, Col. 1)

The U.S. Economic Scene**Mood Is Upbeat After Carter's Messages**

By Thomas E. Mullaney

NEW YORK, Jan. 22 (NYT)—

The mood here last week was upbeat, both in the latest economic data and in the series of annual messages from the White House to the U.S. people, quite in contrast to recent sentiments in the stock market, the foreign-exchange markets and the public-opinion polls.

President Carter's State of the Union, economic and tax messages were all tinged with an overtone of conservatism and reconciliation, and they were devoid of any major surprises or initiatives. The administration was obviously both politically and psychologically. The administration, suffering from waning support in the public surveys and needing so much backing for its programs in Congress, could hardly be negative on the objectives or the results it foresees for its energy, tax and other legislative proposals.

Drop in Fells

Before the President went to Congress to present his goals for the coming year, the latest poll by the New York Times and CBS News showed that public confidence in his ability to handle the nation's huge unemployment, inflation and budget problems had dropped to new lows.

"Politically, economically and in spirit," the President said, the state of the union is sound. "We are a great country, a strong country, and a dynamic country, and so we will remain."

With that, the business and economic world would heartily agree. They also would applaud the President's pledge to hold down government spending, his statements about the damage of continuing inflation, his renewed disavowal of mandatory wage and price controls and his re-

cognition of the need to limit the role of the government in economic affairs.

"The government," the President said in his Thursday night address to Congress, "can't be the manager of everything and everybody."

Then on Friday, the President unveiled the details of his economic program along the lines previously indicated—a \$25-billion tax-reduction package, an

enlargement of the administration's jobs program for youth and the disadvantaged and an anti-inflation program relying on voluntary cooperation by business and labor to hold price and wage increases below the average of the last two years.

While most aspects of the tax program are widely endorsed in business and economic circles, there are elements that are controversial and unwelcome in both

business and political quarters. The package, therefore, may encounter difficulty before it is adopted by Congress.

Since those were well known beforehand, as were his views or the need for his energy program there were questions whether the President's messages as evidence of a well coordinated economic plan that would remove the uncertainties that have diminished confidence in the administration's policies.

Several recent surveys of consumer and business confidence buying intentions for new cars, homes and appliances, and the operations plans of various industries showed a decidedly mixed trend. The varying character of the survey results was a major reason for confusion and uncertainty about this year's general business prospects.

The most gloomy of the soundings from the public came two weeks ago when the highly respected survey of consumer attitudes by the University of Michigan detected a sharp drop in the public's confidence and purchase plans.

More recently, however, two other samplings of the public's economic sentiments were issued for virtually the same period and they were considerably more positive. Especially so was the Conference Board's consumer confidence index and its buying plans index, both of which registered strong gains of about 10 per cent last month. The first was at its highest point in five years.

Another favorable reading or the mood of the public came a few days ago from New York's Citibank, which said its poll of adults across the country (a total of 1,400, against the 5,000 house-

New York Stock Market

NEW YORK, Jan. 22 (NYT)—Wall Street wore a mantle of white as last week ended with a severe snowstorm, causing the New York Stock Exchange and American Stock Exchange to open Friday at noon—two hours late. The Dow Jones industrial average, for its part, finished the session at 776.94, showing a token gain from the previous week's close at 776.73.

The final session totaled only 88.59 million shares last week, compared with 116.8 million shares a week earlier.

Temporarily overcoming its worries over rising interest rates and the wobbling dollar in currency trading, the market finally managed to produce a modest rally at midweek. Meanwhile, analysts said there was nothing in President Carter's State of the Union address Thursday to inspire the market Friday, when prices edged downward.

While many investors pondered the stock market, some other people were laughing all the way from the bank. Last Wednesday the Treasury sold \$3.25 billion of two-year notes, and this auction fetched an average yield of 7.55 per cent—the loftiest rate of return for these government-backed securities in more than two years.

What caught the eye of numerous individuals was a Treasury issue that yielded a full percentage point higher than the 8.5-per-cent rate on two-year savings bank certificates. Accordingly, money flowed out of accounts at savings institutions on its way to the coffers of Uncle Sam.

For yield-conscious investors who want to stay in the stock market, Standard and Poor's Outlook offered some counsel. "The market's decline and the strong rise in dividend payments have combined to boost yields on many good-quality common stocks to highly appealing levels," observed the Outlook. "While bonds in most cases still offer more attractive yields, holders of the common stocks may well be treated to further dividend hikes as earnings growth is extended, and some years from now the returns on original purchase prices of the stocks may be considerably higher."

Over-Counter Market

Symbol	100s	High	Low	Last	Chg
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
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Amstar	40	102	92	92	+1/2
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Symbol	100s	High	Low	Last	Chg
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Symbol	100s	High	Low	Last	Chg
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Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2
Amstar	40	102	92	92	+1/2

This announcement appears as a matter of record only.

**COMISIÓN FEDERAL DE ELECTRICIDAD**

(CFE)

(A decentralized public agency of the United Mexican States)

Mexico, D.F.

US \$ 20,000,000

MEDIUM TERM LOAN

Arranged by

THE INTER-ALPHA GROUP OF BANKS

Provided by

BANCA DEL GOTTARDO

BHF - FINANZ AG

CRÉDIT COMMERCIAL DE FRANCE

KREDITBANK N.V.

NEDERLANDSCHE MIDDENSTANDSBANK N.V.

PRIVATBANKEN INTERNATIONAL (DENMARK) S.A.

WILLIAMS & GILBY'S BANK LIMITED

Agent Bank

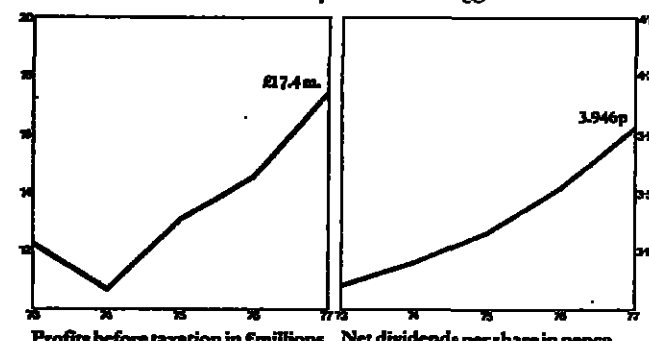
CRÉDIT COMMERCIAL DE FRANCE

January 1978

A profitable formula from Lloyds and Scottish

In 1977 Lloyds and Scottish Limited produced record pre-tax profits of £17.4 million, with turnover and dividends also up on the previous year.

Which is particularly good news in a year when interest rates were volatile and the economy remained sluggish.



These results are yet another vindication of our policy of well planned diversification.

Buying an interest, to secure our interests

For some years Lloyds and Scottish have not only pursued a policy of forming joint companies or partnerships to promote traditional financial activities, but we have also acquired companies whose trading operations create a captive financial market to which financial services are ancillary.

For instance, we formed joint venture companies to participate in car financing and other forms of consumer finance while acquiring companies in earthmoving equipment, television rentals and invoice factoring.

Just how successful this policy has been can be judged from the fact that our industrial and trading activities accounted for £13 million of last year's £29 million increase in profit.

The companies acquired or formed in 1977 included Wheelbase & General Finance and Mann & Overton—the leading supplier of taxicabs in the U.K. Both are already contributing to the overall strength of the Group.

Management philosophy

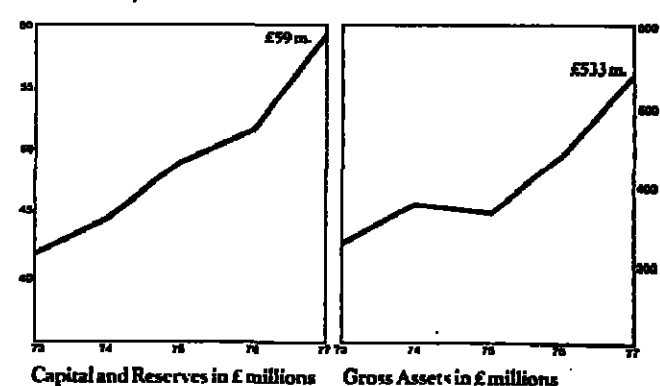
One reason why these policies have worked so well is that the relationship between finance and trading is always well balanced and realistic.

While working within clear-cut policy guidelines, subsidiary companies benefit from a high degree of management autonomy—but the performance of each subsidiary is assessed against strict financial yardsticks.

This professional attitude to our internal arrangements keeps up the profits of our finance companies, and our trading companies efficient.

Strength to strength

It is stability plus performance that really counts. Our financial strength is demonstrated by the fact that our borrowings increased during the year by £70 million and our gross assets by £100 million to £533 million. Share capital and reserves have increased by £7.4 million to £59.0 million.



These factors mean that in the coming year we should be able to continue along our path of proven success.

If you would like a more detailed account of our performance, please write to the Secretary for a copy of the 1977 Annual Report, Lloyds and Scottish Limited, Vigo House, 115 Regent Street, London W1A 3DD.

**Lloyds and Scottish Limited**

(Continued on Page 9, Col. 7)

Milan, December 1977

Euromarket

(Continued from page 7.)
was particularly pointed as Crédit Suisse White, which was lead manager for an EIB sterling issue a month ago, had refused to participate in the just-completed EIB dollar issue.

It is rare that a borrower taps the same market within a few weeks of itself, or that a borrower changes lead manager and does not even invite the former lead manager into the new managing syndicate, or that the borrower would bring a new issue at a time when the lead manager of the former issue was still in the process of trying to stabilize the secondary-market price of that issue.

Implicitly, it appears that CSWV is having its franchises ragged for having turned down joining the EIB dollar loan.

The new loan is \$25 million of 10-year paper carrying a coupon of 9 3/4 per cent. The managers have underwritten the entire loan, priced at par, and will be re-offering paper to selling-group members at a concession of 1 3/8 per cent.

A sinking fund, operating in the first year, will reduce the average life to 7.5 years. Over all commissions total 2 per cent, down from the normal 2 1/8 per cent.

Managers chose the "price firm" method "to guarantee a success and assure immediate placement" given the still-fragile condition of the Eurosterling market. (Five of the six Eurosterling issues floated at the end of last year are trading at discounts from issue price.)

The terms on the new issue, however, do not appear generous. The earlier EIB 9 3/4s are quoted at 98 1/4—a yield of 9.98 to the 15-year maturity and a yield of 10.04 per cent on a 10-year basis.

At the same time, Rowntree Macintosh, the U.K. confectionery company, is offering \$15 million of 10-year paper carrying a coupon of 10 1/4 per cent. A sinking fund, which starts operating in the second year, will reduce the average life to 7.1 years.

Given that last month's effort to revive the Eurosterling market under a wave of new issues coming on top of one another, a number of market participants were surprised to see two new issues being marketed back-to-back.

As for the dollar market, only

two issues are on offer. The European Coal and Steel Community is raising \$30 million in seven-year paper carrying a coupon of 8 3/8 per cent which is being managed by a group of Midwest banks and being sold in that area.

Long Term Credit Bank of

Pressure Seen On Sales of Iranian Crude

LONDON, Jan. 23 (AP-DJ).—Sales of Iranian crude oil in Western Europe, which sagged during 1977, are seen coming under further pressure this year following Kuwait's decision to extend a 10-cent-a-barrel rebate that it began last year.

Kuwait's decision to continue this incentive to buyers of its heavy crude (BHT, Jan. 18) was taken in light of the current oil glut and complaints from oil purchasers that Kuwaiti oil was overpriced relative to comparable Saudi Arabian grades.

Oil sources here claim that Iran's prices are even more out of line with the market. This, coupled with the availability of Saudi crudes and oil from the North Sea, has depressed purchases of Iranian oil, they say.

Spokesmen here for the National Iranian Oil Co. and the Iranian oil participants group, through which U.K. oil companies purchase Iranian crude, declined to comment.

According to the latest International Energy Agency statistics, Iranian oil imports by countries in the Organization for Economic Cooperation and Development fell 20.5 per cent in the third quarter compared with the year-earlier period to 41.6 million tons. By comparison, Saudi Arabian shipments declined 5.6 per cent to 79.1 million tons.

Figures for France, West Germany and Britain indicate the trend continued into the fourth quarter.

The Kuwaiti decision to retain its 10-cent-a-barrel rebate puts its net price at \$12.27 a barrel for medium grade. In contrast, Iranian heavy oil is priced at \$12.49 a barrel. "Iranian heavy is a big problem," one London oil analyst said. "One solution would be a price cut," he added.

Japan will be raising \$60 million in seven-year floating-rate notes pegged at a quarter point over the London interbank rate. The guarantee of a minimum coupon had not yet been fixed at this writing but will not exceed 6 1/2 per cent.

Occidental's \$50 million of five-year, 8 1/2 per cent notes were priced at 99 and ended the week at 97 1/4. Daiichi's \$20 million of seven-year, 8 1/2 per cent notes were priced at 99 1/2.

In the deutsche mark sector, the flow of new issues remained heavy but the market showed no signs of strain. Brazil's 150-million-DM loan was increased to 200 million DM and was priced at par with a coupon of 6 3/4 per cent.

Denmark's 200 million DM, split evenly into seven-year, 8 1/4 per cent and 10-year, 8 per cent paper, were both priced at 99 1/2. In the secondary market, Brazil was trading at par while the Danish paper traded at slight discounts.

The 500-million-DM, 12-year loan for the World Bank, carrying a coupon of 5 3/4 per cent, was priced at 98 and ended the week at 98 1/8-98 3/8.

Argentina is expected to come to market with a 150-million-DM, seven-year loan carrying a coupon of 6 3/4 per cent while TZO, a Finnish nuclear power company, will be raising 150 million DM of 10-year paper with a coupon of 6 per cent.

In the Unit of Account sector, Kommuninvest of Sweden priced its 12-million-UA, 15-year loan at par after cutting the coupon to 7 3/4 from the initially expected 8 per cent.

European Yields

Week Ended Jan. 18

U.S. Dollars

International institutions, long term . . . 8.30 %

Industrials, long term . . . 8.61 %

Industrials, medium term . . . 8.52 %

Canadian dollar, medium term . . . 9.08 %

French franc, long term . . . 11.24 %

Unit of Account, long term . . . 7.89 %

Market Turnover

Week Ended Jan. 20

(In millions of Dollars)

Credit \$609.0 \$418.4 \$190.8

Debit \$1,389.1 \$1,273.3 \$261.8

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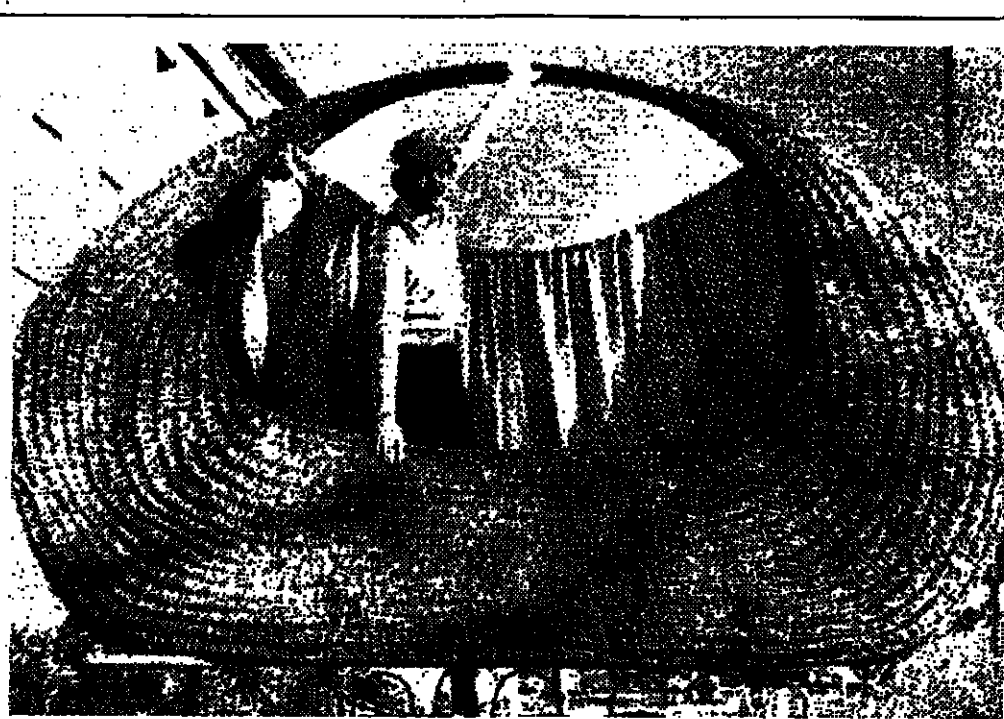
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BASKET CASE—What is being billed as the world's largest hand-made shopping basket gets its finishing touches in Haslach, West Germany. A potential customer—reportedly an American—is said to be interested in using it as a bed.

Orion Bank Estimates

\$8.2 Billion in Reflows for Eurobond Mart

PARIS, Jan. 22 (IHT).—An estimated \$8.2 billion will be available for investment in the Eurobond market this year from interest and principal repayments on issues already outstanding.

The estimate comes from Orion Bank which has issued studies estimating the size of funds reflows into the Eurobond market over the past two years. The latest study is updated to include all of last year's new issues and, as well, a broader base of Swiss franc and deutsche mark private placements than used in earlier analyses.

Included are bonds denominated in dollars, DM, guilders, French and Swiss francs, Units of Account—in all, 2,732 issues with a face value of \$82.3 billion calculated at end-1977 exchange rates.

The study notes that of this year's total funds reflows only 38 per cent represents principal repayments. By 1982, however, 73 per cent of the estimated \$12.4 billion available for flowing back into the market will represent principal repayments.

While no one can say how much of this money will actually be

reinvested in new bond offerings, Orion notes that the consensus view is that "a significant proportion" of this so-called old money is reinvested in new issues.

It is our view that principal repayments are more likely to be reinvested in new Eurobond issues than interest.

During the next five years reflows will total an estimated \$57.2 billion. Of this, about 43 per cent will be denominated in U.S. dollars, 25 per cent in Swiss francs, 24 per cent in DM and 8 per cent in other currencies.

The annual reflows Orion sees are, in billions of dollars:

1978—\$8.2 1983—\$12.74
1979—\$9.33 1984—\$9.66
1980—\$13.68 1985—\$7.55
1981—\$12.55 1986—\$9.07
1982—\$13.45 1987—\$8.94

Monthly reflows will be the

heaviest in February 1983 (\$1.77 billion), October 1980 (\$1.57 billion), April 1982 (\$1.5 billion), July 1980 (\$1.5 billion) and July 1982 (\$1.47 billion).

For this year, reflows will total an estimated \$2.37 billion in the first quarter, \$2.07 billion in the second quarter, \$1.76 billion in the third quarter and \$2.1 billion in the final quarter.

On a monthly basis, March (\$836 million), July (\$818 million) and December (\$792 million) will experience the heaviest reflows.

Westinghouse Probed by U.S.

NEW YORK, Jan. 22 (NYT).—The Westinghouse Electric Corp. has said that the Justice Department and the Securities and Exchange Commission are investigating its controversial contract to build a nuclear power plant in the Philippines.

The company said that it had been informed last week that the Justice Department's inquiry was being conducted by a special task force, directed by the agency's Criminal Division, that was created last year to examine questionable corporate payments.

Westinghouse was awarded the contract, involving a \$1.1-billion nuclear plant, by the government of President Ferdinand Marcos in 1974. Westinghouse has admitted having paid a commission to a company owned by a friend of Mr. Marcos for assistance in obtaining the contract. Bankers familiar with the contract have put the commission figure anywhere between \$4 million and \$25 million.

The Swiss lawyers asked the Geneva Appeals Court to reverse a decision by a criminal court here last June that Mr. Cornfeld, 50, must face a jury trial on fraud charges. The financier has been free on bail from a Swiss court since 1974 and now lives in Hollywood. Swiss law did not require his presence in court last week, and he was absent.

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Economic Scene

(Continued from page 7.)
holds in the Conference Board sample) showed consumer confidence definitely on the rise in December.

Confidence Off

Among businessmen, the sentiments in the polls were not very upbeat at all. In its quarterly survey of more than 1,500 chief executive officers of companies of various sizes, the Conference Board found its measure of business confidence in the general economic outlook falling sharply in the final quarter of last year. The index dropped to 52 from 59 in the third quarter and from 71 in the second quarter of last year. With respect to their own industries, however, the executives exhibited a much smaller decline in confidence.

The latest survey of businessmen's expectations conducted among more than 1,400 leaders in manufacturing, wholesaling and retailing by Dun & Bradstreet Inc. was neutral. It showed them looking for little change in the first quarter of 1978 from the preceding quarter with respect to sales, inventories and employment, while their profit predictions took a gloomier turn.

Despite the mixed character of the consumer and business surveys and the continued depressed state of the stock market, the latest news from the real world of business and the economy was good overall. It showed that the old year ended on a strong note, in contrast to the weakness that was evident 12 months earlier.

In real terms (subtracting the influence of inflation) the Gross National Product of the United States advanced at a fairly healthy rate of 4.3 per cent in the final three months of last year, in contrast to the small gain at an annual rate of 1.2 per cent in the closing quarter of 1976. When the actual December figures are available for inventories and the nation's foreign trade, there will be revisions in the fourth-quarter GNP statistics for last year—and they might well push the gain upward.

Final Sales

What was most encouraging about the economic performance in the final quarter of last year—and indeed throughout 1977—

Flu Threat Seen in U.S.

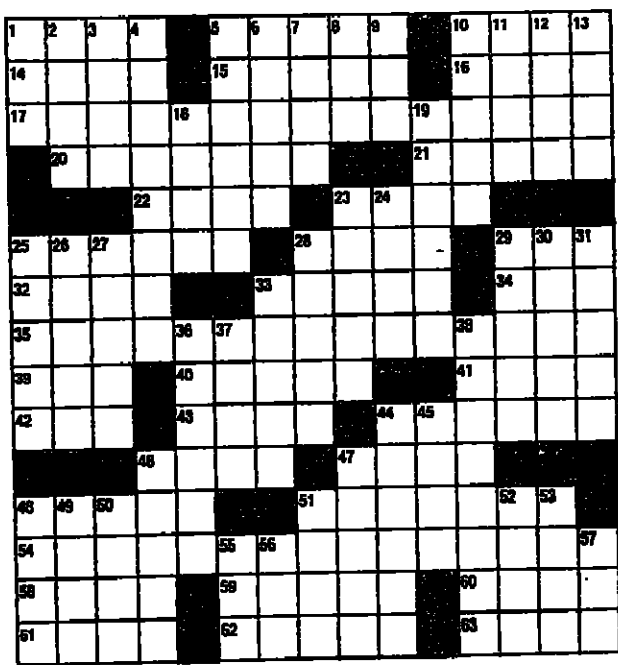
ATLANTA, Jan. 22 (UPI).—Influenza has killed 465 more persons than expected this year in the United States, and federal health officials report the new flu strain that swept the Soviet Union has now spread to Britain and the Philippines.

The Center for Disease Control said influenza deaths reported for the first two weeks of January from 121 cities in the United States exceeded the "epidemic threshold." Most of the victims were elderly or chronically ill.

Britain and Philippines

ATLANTA, Jan. 22 (UPI).—Influenza has killed 465 more persons than expected this year in the United

CROSSWORD — By Eugene T. Maeska



- ACROSS**
- Spoken
 - Type of car
 - Boarding-school quarters
 - Word with line or path
 - Bold
 - Waiting for the Robert
 - "Buy now, pay later" slogan
 - Famous Mass. prep school
 - Cockles
 - Singular fellow
 - Sate
 - Informed fellow
 - Party disciplinarian
 - French month
 - Deserve
 - Shoe job
 - Ecology
 - Milieu of the Canadians
 - Brutus et al.
 - La-la's
 - Disappointments companion
 - "Click Out of You"
 - Where Cleo barged
 - "This little the nalle on the Heywood"
- DOWN**
- Parched
 - A.K.C. hound
 - Kind of corner
 - Speech defect
 - Boy Scout rank
 - Bed for a gem
 - Highlander with a wry coat
 - Marquette or La Chaise
 - Preside over a meeting
 - Isaac's eldest
 - Belgian river
 - Works by Charles Wesley
 - Gossip
 - Sash for Cio-Clo-San
 - Indian prince
 - N.A.A.C.P. for one
 - Tray
 - Gantry or Pudd
 - Active person
 - Raggy doll
 - Lepidopterist's trap
 - "... the law's Hamlet"
 - Norwegian king
 - Monthly payment
 - Midshipman's meal
 - Top-notch
 - Decorous
 - Potter's field
 - Heather or fish
 - Actor Brian
 - Mother-of-pearl
 - Mountain nymph
 - First self-propelled spaceman
 - Certain skirts
 - Area under a spall
 - Small map within a larger map
 - Q.E.D. area
 - Destiny
 - Former teammate of Cleon Jones
 - Brilliant, as a postman
 - Pets feared by postmen
 - Star: Comb. form
 - Change
 - Open the door to
 - Cloak sight of
 - Pair of "bullets"
 - Author Vidal
 - Pretense
 - "Nii — bonum"
 - Equipment
 - "... dien, motto of Prince
 - Baseball
 - Pothole

P E A N U T S

B L O N D I E

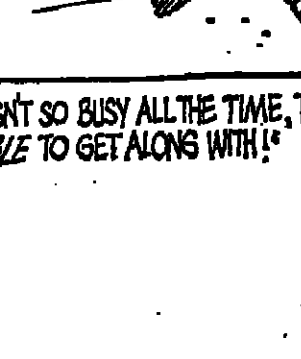
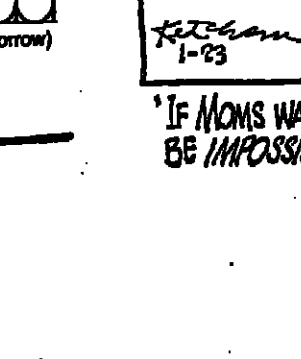
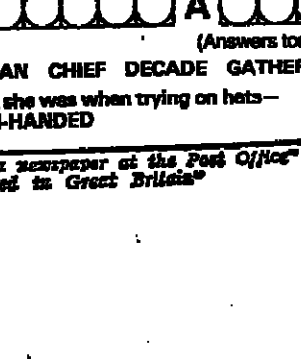
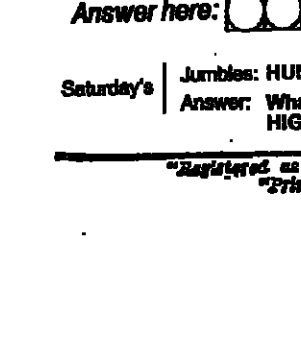
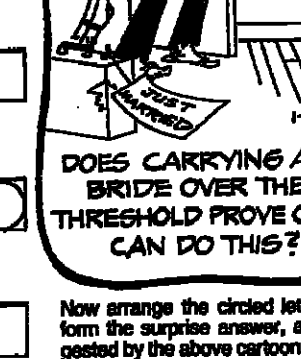
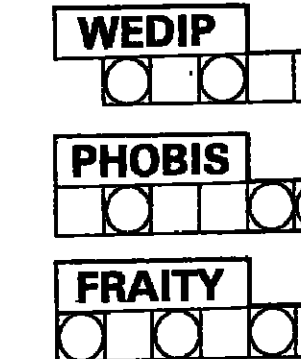
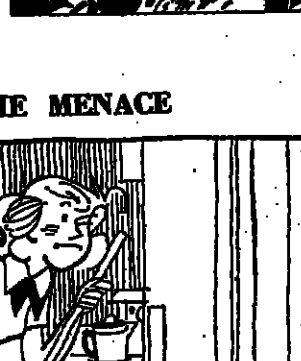
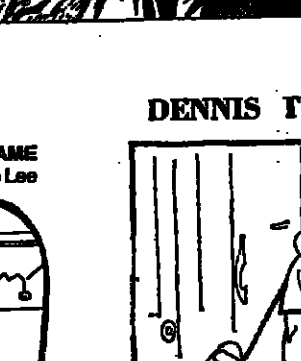
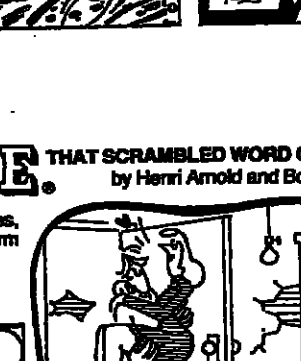
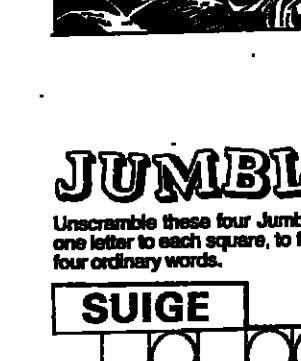
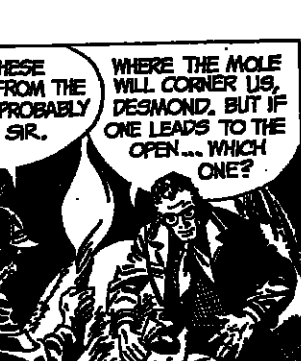
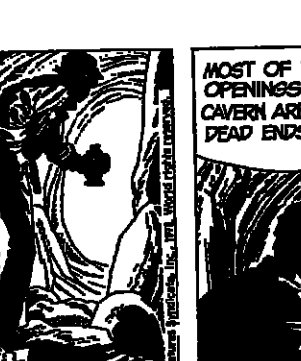
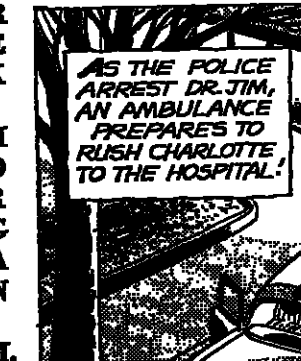
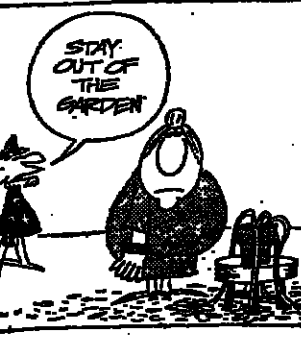
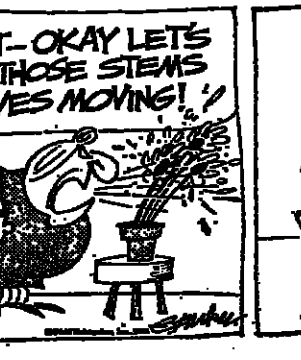
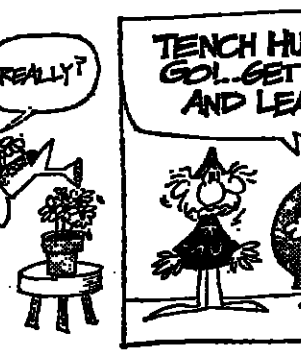
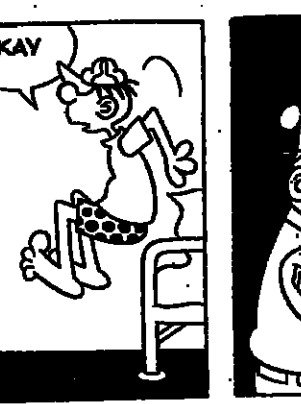
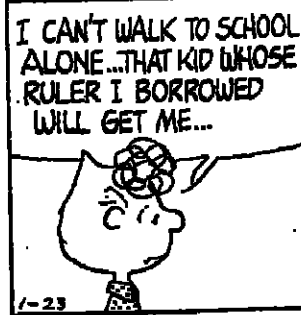
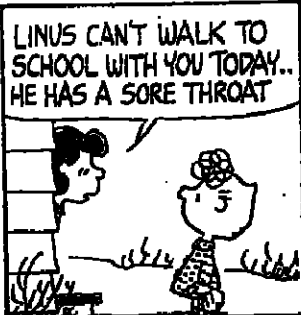
B E E T L E

A N D Y C A P

W I Z A R D

R E X M O R G A N

R I P K I R B Y



BOOKS

STORMY WEATHER: CROSSLIGHTS ON THE NINETEEN THIRTIES

An Informal Social History of the United States, 1929-1941

By J. C. Furnas. Putnam's. 669 pp. \$15.

Reviewed by Robert Kirsch

THIS raw material of history is the gathered experience of countless individuals in a time and place. The general historian can select impressions to support most any thesis; the social historian can make you believe it.

J.C. Furnas has taken a penetrating look at the life in the United States between the great Depression and the bombing of Pearl Harbor and has written an incisive and crowded series of interlocking essays on virtually every aspect of the period, from the arts and the media through architecture and industry to fads, fashions and panaceas.

The dozen years, filtered through Furnas's gathering and interpretation, might not be recognizable to any number of people who lived through the time. It depends on their age, status, region and particular circumstance. I was a boy when the Depression struck and my impressions for what they are worth, differ markedly from some of the contemporary and retrospective reports in these pages. Yet, without endorsing everything Furnas has written, I feel he makes a persuasive case for the complexity of the American experience in that period.

Certainly, it is too complex to be subsumed under the convenient consensus of some of its major events. These are clichés and banalities which Furnas suggests blur the whole nature of the 30s. He claims that "with both ears and one eye shut, one can see the early 1930s as an admirably dynamic period." There is evidence enough for this in the yeastiness, the excitement of the decade—and Furnas, in his

strongest pieces, shows how many of the roots of postwar change in technology, mass communications, social institutions, were already growing—but he tends to neglect what might be called the fundamental perception of the 30s by most of the people who lived through them.

True, they were ingenious and optimistic, goaded by poverty, by the prospect which was often enough before them as an exemplary warning of respectable people on relief, of wage earners unable to find a job of professional men let go.

Furnas doesn't deny "there was a miserable plenty of cause for suffering, fury, frustration and despair." His chapter on the legends of the Depression, entitled "The Real Thing Was Bad Enough," is sufficient to show that he is not taking the suffering lightly (though occasionally he seems a bit insulated by statistics).

Among the grisly fictions, as he calls them, the staple scene of fiction and film, were the supposed wave of suicides after the crash of '29. Not so, he says. The suicide rate in America began rising and continued to rise upward with the big bull market in the teeth of euphoric prosperity, and continued to rise during the first three years of the Depression.

Did the United States close to revolution? Furnas says not, although he concedes there were those who thought it had and wanted it to as well as those who feared revolution and were relieved when it didn't happen.

The third legend he questions is that "of the sharp contrast between 'do-nothing-but-lah Hoover and government-to-the rescue FDR.' Hoover was certainly not an icy do-nothing, his efforts failed to be seen as it must be added, trusted by many voters.

What this book has to offer is a new exploration of the tenor of the 30s, done critically and imaginatively with special awareness of the truth that cause and effect are rarely simple, one-process.

Robert Kirsch is a book reviewer for The Los Angeles Times.

CHESS

By Robert Byrne

Some of the principal variations of the King's Indian Defense appear to be unimpeachable in that White quickly obtains an advantage in space in the center and can easily operate on the queenside, usually by opening the QB file, while Black's counterplay on the opposite wing is labored and difficult to set up.

However, the thought-chilling for White—is that his king is the target of the black counter-attack, so that whatever superiority he achieves on the queenside could become vacuous if he cannot produce a defense to fend off mate.

An excellent example of what White has to contend with is provided by the game between the United States champion, Walter Browne, and the Spanish master, Cabrera, from the Las Palmas International Tournament.

Cabrera was the first to get an opening with 14 P-P2, P-P2, but before going ahead with further queen's wing operations, he aimed to secure his king with 15 N-B2 and 17 P-B3, a system promulgated by the Dutch grandmaster, Genna Sosonko.

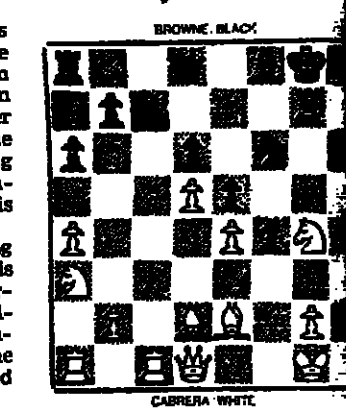
Meanwhile, Browne mobilized his KR with 17... R-B2, both defending against a seventh-rank invasion and preparing to support a mating attack with 22... R-N2.

Browne's thematic pawn sacrifice, 19... P-N5; 20 B-P2, P-P2; 21 P-P2, was necessary to open the white king position.

After Cabrera's later consolidation with 24 Q-Q1, Black had to act quickly before White marched in with 25 N-B4. 26 P-B5 (or 26 B-B5), and 27 N-N6.

Accordingly, Browne, following the Sosonko-Kavalek game in Wilk-n-Zee in 1977, gave up a bishop by 24... B-P1; 25 N-B5, but instead of dealing with Kavalek's erroneous 25... N-N7; 26 B-N4; 27 B-K3ch, K-R1; 28 P-KN4, he adopted Kavalek's later suggestion, 25... N-NP1.

One point of his second piece sacrifice was that 26 K-N; N-N; 27 B-N; Q-R5; 28 Q-R1, R-Bch; 29 K-B5, R-Nch; 30 K-K2,



Position After 25 N-B5

Q-N5ch; 31 K-B2, R-K3; R-KN1, K-N2; 33 R-R, P-R4; 34 K-N1, R-R1; 35 Q-N2, R-Nch; 36 B-N2, R-Bch; 37 K-B1, Q-Rch; 38 K-Rch, Q-Rch; 39 K-B1, Q-Rch; 40 K-B1, Q-Rch; 41 K-B1, Q-Rch; 42 K-B1, Q-Rch; 43 K-B1, Q-Rch; 44 K-B1, Q-Rch; 45 K-B1, Q-Rch; 46 K-B1, Q-Rch; 47 K-B1, Q-Rch; 48 K-B1, Q-Rch; 49 K-B1, Q-Rch; 50 K-B1, Q-Rch; 51 K-B1, Q-Rch; 52 K-B1, Q-Rch; 53 K-B1, Q-Rch; 54 K-B1, Q-Rch; 55 K-B1, Q-Rch; 56 K-B1, Q-Rch; 57 K-B1, Q-Rch; 58 K-B1, Q-Rch; 59 K-B1, Q-Rch; 60 K-B1, Q-Rch; 61 K-B1, Q-Rch; 62 K-B1, Q-Rch; 63 K-B1, Q-Rch; 64 K-B1, Q-Rch; 65 K-B1, Q-Rch; 66 K-B1, Q-Rch; 67 K-B1, Q-Rch; 68 K-B1, Q-Rch; 69 K-B1, Q-Rch; 70 K-B1, Q-Rch; 71 K-B1, Q-Rch; 72 K-B1, Q-Rch; 73 K-B1, Q-Rch; 74 K-B1, Q-Rch; 75 K-B1, Q-Rch; 76 K-B1, Q-Rch; 77 K-B1, Q-Rch; 78 K-B1, Q-Rch; 79 K-B1, Q-Rch; 80 K-B1, Q-Rch; 81 K-B1, Q-Rch; 82 K-B1, Q-Rch; 83 K-B1, Q-Rch; 84 K-B1, Q-Rch; 85 K-B1, Q-Rch; 86 K-B1, Q-Rch; 87 K-B1, Q-Rch; 88 K-B1, Q-Rch; 89 K-B1, Q-Rch; 90 K-B1, Q-Rch; 91 K-B1, Q-Rch; 92 K-B1, Q-Rch; 93 K-B1, Q-Rch; 94 K-B1, Q-Rch; 95 K-B1, Q-Rch; 96 K-B1, Q-Rch; 97 K-B1, Q-Rch; 98 K-B1, Q-Rch; 99 K-B1, Q-Rch; 100 K-B1, Q-Rch; 101 K-B1, Q-Rch; 102 K-B1, Q-Rch; 103 K-B1, Q-Rch; 104 K-B1, Q-Rch; 105 K-B1, Q-Rch; 106 K-B1, Q-Rch; 107 K-B1, Q-Rch; 108 K-B1, Q-Rch; 109 K-B1, Q-Rch; 110 K-B1, Q-Rch; 111 K-B1, Q-Rch; 112 K-B1, Q-Rch; 113 K-B1, Q-Rch; 114 K-B1, Q-Rch; 115 K-B1, Q-Rch; 116 K-B1, Q-Rch; 117 K-B1, Q-Rch; 118 K-B1, Q-Rch; 119 K-B1, Q-Rch; 120 K-B1, Q-Rch; 121 K-B1, Q-Rch; 122 K-B1, Q-Rch; 123 K-B1, Q-Rch; 124 K-B1, Q-Rch; 125 K-B1, Q-Rch; 126 K-B1, Q-Rch; 127 K-B1, Q-Rch; 128 K-B1, Q-Rch; 129 K-B1, Q-Rch; 130 K-B1, Q-Rch; 131 K-B1, Q-Rch; 132 K-B1, Q-Rch; 133 K-B1, Q-Rch; 134 K-B1, Q-Rch; 135 K-B1, Q-Rch; 136 K-B1, Q-Rch; 137 K-B1, Q-Rch; 138 K-B1, Q-Rch; 139 K-B1, Q-Rch; 140 K-B1, Q-Rch; 141 K-B1, Q-Rch; 142 K-B1, Q-Rch; 143 K-B1, Q-Rch; 144 K-B1, Q-Rch; 145 K-B1, Q-Rch; 146 K-B1, Q-Rch; 147 K-B1, Q-Rch; 148 K-B1, Q-Rch; 149 K-B1, Q-Rch; 150 K-B1, Q-Rch; 151 K-B1, Q-Rch; 152 K-B1, Q-Rch; 153 K-B1, Q-Rch; 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390 K-B1, Q-Rch; 391 K-B1, Q-Rch; 392 K-B1, Q-Rch; 393 K-B1, Q-Rch; 394 K-B1, Q-Rch; 395 K-B1, Q-Rch; 396 K-B1, Q-Rch; 397 K-B1, Q-Rch; 398 K-B1, Q-Rch; 399 K-B1, Q-Rch; 400 K-B1, Q-Rch; 401 K-B1, Q-Rch; 402 K-B1, Q-Rch; 403 K-B1, Q-Rch; 404 K-B1, Q-Rch; 405 K-B1, Q-Rch; 406 K-B1, Q-Rch; 407 K-B1, Q-Rch; 408 K-B1, Q-Rch; 409 K-B1, Q-Rch; 410 K-B1, Q-Rch; 411 K-B1, Q-Rch; 412 K-B1, Q-Rch; 413 K-B1, Q-Rch; 414 K-B1, Q-Rch; 415 K-B1, Q-Rch; 416 K-B1, Q-Rch; 417 K-B1, Q-Rch; 418 K-B1, Q-Rch; 419 K-B1, Q-Rch; 420 K-B1, Q-Rch; 421 K-B1, Q-Rch; 422 K-B1, Q-Rch; 423 K-B1, Q-Rch; 424 K-B1, Q-Rch; 425 K-B1, Q-Rch; 426 K-B1, Q-Rch; 427 K-B1, Q-Rch; 428 K-B1, Q-Rch; 429 K-B1, Q-Rch; 430 K-B1, Q-Rch; 431 K-B1, Q-Rch; 432 K-B1, Q-Rch; 433 K-B1, Q-Rch; 434 K-B1, Q-Rch; 435 K-B1, Q-Rch; 436 K-B1, Q-Rch; 437 K-B1, Q-Rch; 438 K-B1, Q-Rch; 439 K-B1, Q-Rch; 440 K-B1, Q-Rch; 441 K-B1, Q-Rch; 442 K-B1, Q-Rch; 443 K-B1, Q-Rch; 444 K-B1, Q-Rch; 445 K-B1, Q-Rch; 446 K-B1, Q-Rch; 447 K-B1, Q-Rch; 448 K-B1, Q-Rch; 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508 K-B1, Q-Rch; 509 K-B1, Q-Rch; 510 K-B1, Q-Rch; 511 K-B1, Q-Rch; 512 K-B1, Q-Rch; 513 K-B1, Q-Rch; 514 K-B1, Q-Rch; 515 K-B1, Q-Rch; 516 K-B1, Q-Rch; 517 K-B1, Q-Rch; 518 K-B1, Q-Rch; 519 K-B1, Q-Rch; 520 K-B1, Q-Rch; 521 K-B1, Q-Rch; 522 K-B1, Q-Rch; 523 K-B1, Q-Rch; 524 K-B1, Q-Rch; 525 K-B1, Q-Rch; 526 K-B1, Q-Rch; 527 K-B1, Q-Rch; 528 K-B1, Q-Rch; 529 K-B1, Q-Rch; 530 K-B1, Q-Rch; 531 K-B1, Q-Rch; 532 K-B1, Q-Rch; 533 K-B1, Q-Rch; 534 K-B1, Q-Rch; 535 K-B1, Q-Rch; 536 K-B1, Q-Rch; 537 K-B1, Q-Rch; 538 K-B1, Q-Rch; 539 K-B1, Q-Rch; 540 K-B1, Q-Rch; 541 K-B1, Q-Rch; 542 K-B1, Q-Rch; 543 K-B1

Walcher, Ferstl Tie in Downhill

Heidegger Fastest in Slalom

INZBROH, Austria, Jan. 22 (Reuters).—Klaus Heidegger, 23, of Austria, won the slalom race today as he won a World Cup slalom race here.

Heidegger, who finished in 1:43.84, was the fastest of the 30 starters.

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the back. "On the one hand, it gives me a lot of self-confidence," he added, "but on the other it is a strain to live up to your reputation."

"Second in the slalom was Peter Foppe, who finished in 1:43.84."

"He is going to come up more and more and is a dangerous rival," Heidegger said of Foppe.

Fourth was a Bulgarian and a Russian on the World Cup circuit.

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despite a slow start and some wide swings through the second run of 65 gates.

Stenmark, who is suffering from mild flu, was one of several favorites to drop out of the race.

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KNOCKING HIS BLOCK OFF—Esteban DeJesus ducks his head from a right.

Duran Wins Undisputed Title on Knockout

LAS VEGAS, Jan. 22 (Reuters).—Roberto Duran knocked out Esteban DeJesus in the 12th round yesterday to win the undisputed world heavyweight championship here.

Duran, the World Boxing Association champion, dropped DeJesus, the World Boxing Council champion, twice in the 12th round—the second time with a left-right combination to the head and body. Referee Buddy Basilio then stopped the bout.

Duran dropped DeJesus 30 seconds earlier with a short right hand to the head. DeJesus never recovered from that blow and was soon on the ropes as Duran unleashed a final assault. DeJesus

was leaning in, trying to deliver a right of his own, when Duran landed the final blow.

It was the third meeting between the two fighters. DeJesus, of Puerto Rico, won a 10-round decision in a non-title bout in 1972, while Duran, a Panamanian, won by a knockout in the 11th round of a title bout in 1974.

This was Duran's 11th title defense since he won the WBA title on June 28, 1972. It was DeJesus' fifth defense since he won the WBC championship on May 8, 1976.

All three judges had Duran winning through 11 rounds. He weighed 194 1/4 pounds and DeJesus 184.

3 Tie for the 2d-Round Lead in Crosby Golf

From Wire Dispatches
PERHLE BEACH, California, Jan. 22.—Tommy McCall, struggling to stay on the professional golf tour, came out of the pack with a 2-under-par 70 yesterday to tie Ray Floyd and Hale Irwin for the lead after two rounds of the Bing Crosby Pro-Am tournament here.

McCall, 30, who missed a major portion of the tour a year ago because of illness, has until the Bob Hope Desert Classic this year to make \$10,000 or have his playing card lifted.

He made only \$1,800 a year ago, but the Professional Golfers' Association decided to give him a chance through the first six weeks of this season to make the minimum before taking his card.

McCall didn't exactly tear up Pebble Beach in the second round, but he did make four birdie putts to tie the two other leaders.

Floyd shot a 3-under-par 69 at Spyglass Hill while Irwin shot a 70, also at Spyglass.

Tom Watson, PGA player of the year in 1977 and already the winner of one tournament this year, had an excellent chance to be the leader in the second round as he was in the first—but he took a double-bogey 6 on the ninth hole, the final one he played, for a 74.

He put him a shot behind the three leaders.

After two rounds, Floyd, McCall and Irwin were at 5-under 139 as the three Crosby courses took their toll on the 189-man field following heavy rain during the last month; the first round was delayed a day because of too much standing water. The tournament will end tomorrow, weather permitting.

Watson was grouped at 140 with Don Bies, Gil Morgan and Don Pooley. Bies shot a 2-under 70 at Cypress Point while Morgan and Pooley played Spyglass and shot 70 and 71, respectively.

Gibby Gilbert, Paddy Zoller, Tom Weiskopf and Lon Hinkle were at 141 while Arnold Palmer and Jack Nicklaus continued having problems and were far back in the field.

Nicklaus took a 74 and, with a 151 total, appears likely to miss the cut when the field is trimmed to the low 60 scorers after today's third round.

Palmer, with a 71 yesterday, is still higher—152. He and his amateur partner, Gerald Ford, are very much in the race in the Pro-Am competition, however. They

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Gallion Leads Rally
France Beats England
In Rugby Opener, 15-6

By Bob Donahue

PARIS, Jan. 22 (UPI).—England may never have played harder in Paris. A great English pack deserved its share of the standing ovation at the Parc des Princes yesterday, after France won, 15-6.

The English dressing room looked like a casualty clearing station. "A very hard game," was the way the new captain, Billy Beaumont, put it, understating the matter. Better was his admission that "no quarter was given."

As happens when winning is more important than the game, the game was no classic. The band had set the frenzied tune nicely by playing the British anthem much too fast and the "Marseillaise" much too slowly. It was an odd afternoon through

Beaumont, Nigel Horton, Peter Wheeler and Peter Dixon—until his shoulder snapped on the half hour—attacked with so much class, power, nimble handling and downright ferocity that a potentially hostile French full house applauded them with only 13 minutes gone.

All this meted, however, were drop goals by stand-off Alan Old in the second minute and again at the end of the half after full-back Jean-Michel Aguirre had connected on France's fifth penalty attempt. The penalty calls were going France's way by a ratio of two to one, such was England's urgency.

Albert Ferrasse, the French Rugby Federation's outspoken president, was proud of his men, he said later, not so much because they won but because they took the punishment coolly. He wondered how comparable French aggression would go over at Twickenham. The match was "perfectly clean," he also remarked.

The French held, came back and won goals away. Miles faster to the ball in the first half, the English pack could not keep it up in the second and France started winning the rucks. Beaumont came away saying the French forwards were "far superior" to New Zealand, which is a compliment.

And sweet music to the ears of Jean-François Gastaut, the new French captain, who refused to exchange his jersey. Bastiat has

been playing for France since 1970 and that blue first captain's jersey goes down to a new boy next year to be treasured for a lifetime.

So France trailed, 6-3, when England kicked off. Ferrasse and Sandy Sanders, the chairman of English selectors, both foresaw an English victory. On the field, the French scrum believed it had already won the day. Indeed, it was now downhill for France.

The man of the day who set up a try for left wing Jean-Luc Averous through Aguirre and then scored a try all by himself nine minutes later (Aguirre converted both) was a 22-year-old dentist from Toulon named Jérôme Gallion. So much more will be said about this 5-8 rookie successor to Jacques Fouroux that his half-dressed green scrummers stepped ahead through the English forwards need only be mentioned here.

That and his face, which showed nothing in the binoculars. No snoring, leaping, dancing, hugging, praying or throwing the ball up into the stands. Not even a grin. It having been determined that the greatest day in Gallion's life would have traditional rugby plegm.

While the press chased Gallion into the shower, Sanders was regretting his lack of failure to capitalize on all the possession won by their forwards and saying that England's backfield poverty "stuck out like a sore thumb."

The French coach, Jean Desclaux, after wondering why the English forwards did not keep the ball to themselves, added that the backs should be judged in the light of superb French tackling.

French scrum tackling bordered on suicide. The Averous style invites a broken neck, and one thought of the many thousands of schoolboys watching in. Need you break a man in half to stop him?

After other crunches, Dixon had to be led off, center Andy Maxwell had to be carried off, and left prop Robin Cowling, with England's two substitutions already made, had to play the last half hour with a dislocated right shoulder. Fully three raming Englishmen ran over the prone back of lock Michel Palmé like a doorman on one occasion.

England has still not won in Paris since 1964, but Wales had better be high when it goes to Twickenham in two weeks. The French go to Edinburgh that day.

Between the byzantine and the kickoff, a minute of silence was asked for by rugby figures—including "grand old man" Robert Baran, whose death Friday proved that it is possible to survive the unpeddled game and die in bed. Referee Norman Sampaio, impatient to get the emotional game started and behind him, blew his whistle after 25 seconds.

Irish Soccer Coach Adamant on Quitting

DUBLIN, Jan. 22 (UPI).—The Shamrock Rovers' player-coach, Johnny Giles, said today he would not reconsider his decision to resign as coach of Ireland soccer team.

Giles said he quit because officials rejected his nomination for assistants. He denied there had been any split over his plan to play for the Philadelphia Furries in the summer.

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Ask an Old Yankee About the Best Manager

By Red Smith

NEW YORK, Jan. 22 (UPI).—Tommy McCarthy, 50, of New York, was asked today by the New York Times what he thought of Joe McCarthy, the Yankees' manager.

"They're making a sucker of you with that outside," he said. "I want you to lay off."

A week or 10 days later, McCarthy said: "Tommy, I told you to lay off that pitch. Now, you lay off it, or you'll hit it in Newark."

When he put it that way, McCarthy said later, "you listen."

By Barbara Gamarekian

Huge water runoffs from a succession of storms in the state since late November are rapidly filling reservoirs. The Sierra snowpack, the state's bank for water in the dry months, increases with each storm.

at our office nearest you

[illegible]

Grosvenor Empire: 300 Choice Acres

By Sandra Salmans

2-Year-Old Heir

2-Year-Old Heir

who had no sons, passed over his three male cousins who were in line to inherit. The property went directly to Gerald, Earl of

Lord Grosvenor, heir to real-estate empire

World War II, the Grosvenors offered a swap: They would trade that block in exchange for "their" 12,000 acres in

Offered a Swap

On Grosvenor Square after World War II, the Grosvenors offered a swap: They would trade that block in exchange for "their" 12,000 acres in

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